



Daily Report

East Asia

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Japan

Aspin Cited on U.S. Stance on North Korea

OW0211102193 Tokyo KYODO in English 0956 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—The United States will seek a negotiated settlement to the issue of North Korea's suspected development of nuclear weapons, U.S. Defense Secretary Les Aspin said Tuesday [2 November]. In a meeting with Defense Agency Chief Keisuke Nakanishi, Aspin said that U.S.-North Korea talks would be the most important channel for achieving a negotiated solution to the problem, agency officials said. High-level talks between the United States and North Korea have been suspended since July over the nuclear issue.

Aspin arrived in Tokyo earlier in the day for a two-day visit to Japan. He is scheduled to meet Prime Minister Morihiro Hosokawa and Foreign Minister Tsutomu Hata later Tuesday. Aspin will leave for Seoul on Wednesday for talks with South Korean leaders on the North Korean nuclear problem and other defense issues.

On Monday, the United Nations General Assembly voted by 140-1 in favor of a resolution urging North Korea to comply with demands from the International Atomic Energy Agency (IAEA) for a full inspection of its suspected nuclear facilities in Yongbyon, some 90 kilometers north of Pyongyang, the North Korean capital.

Aspin, Hosokawa Voice Concern

OW0211114193 Tokyo KYODO in English 1124 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—U.S. Defense Secretary Les Aspin and Japanese Prime Minister Morihiro Hosokawa voiced strong concern Tuesday [2 November] over North Korea's suspected development of nuclear weapons, Japanese Foreign Ministry officials said. In a 35-minute meeting, Aspin described North Korea's suspected nuclear development as a "typical" problem of the post-Cold War era, the officials said. Hosokawa told Aspin many countries consider it an "unstable factor."

Aspin, who arrived in Japan earlier in the day for a two-day stay, was quoted as saying a considerable amount of time will be spent discussing the matter in U.S.-South Korea security talks Wednesday and Thursday in Seoul.

Hosokawa told Aspin that Japan is watching closely the developments of talks between the United States and North Korea as Washington is the only one currently negotiating with Pyongyang, noting Japan has not held any talks with North Korea since November last year.

The prime minister also said he hopes to hear Seoul's views on the matter when he meets South Korean President Kim Yong-sam this weekend.

Aspin told Hosokawa security ties with Japan are fundamentally important for the U.S. and vowed efforts to solve difficulties such as those involving U.S. military bases in Okinawa, the officials said. Aspin thanked the Japanese Government for shouldering costs for U.S. military bases in Japan, they said.

As host nation, Japan pays allowances for Japanese employees at the bases and has assumed housing costs for U.S. military personnel.

Hosokawa told Aspin the U.S. presence in Asia is important for security of Japan and the Asia-Pacific region, and Tokyo will continue doing its utmost as the host nation, they said.

In a separate meeting later in the day, Aspin and Foreign Minister Tsutomu Hata agreed that diplomatic efforts by Japan and the U.S. are important to solve problems concerning North Korea's suspected nuclear development, the officials said.

Aspin and Hata confirmed that Japan, the U.S. and South Korea should work closely if the matter is brought to the United Nations for discussion on imposing sanctions against Pyongyang, they said.

On Monday, the U.N. General Assembly voted by 140-1 in favor of a resolution urging North Korea to comply with demands from the International Atomic Energy Agency (IAEA) for inspection of its suspected nuclear facilities in Yongbyon, some 90 kilometers north of Pyongyang.

Aspin briefed Hata in an hourlong meeting about the ongoing negotiations between Washington and Pyongyang, the officials said. Aspin was quoted as saying the present interests of the U.S. are whether North Korea accepts IAEA inspections and progress in dialogue between Seoul and Pyongyang.

Aspin, Nakanishi Discuss DPRK

OW0211122993 Tokyo KYODO in English 1214 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—U.S. Defense Secretary Les Aspin told Japan's State Minister for Defense Keisuke Nakanishi on Tuesday [2 November] that the United States will resolve North Korea's suspected nuclear development program through high-level talks with Pyongyang. Aspin made the remark during an hour-long meeting with the Defense Agency director general shortly after he arrived in Tokyo for talks with Japanese leaders on security matters, a senior official said. The two defense ministers agreed to remain in close contact on North Korea's suspected nuclear development scheme, the official said in a briefing.

North Korean and U.S. officials made informal contact in New York last week to discuss possible resumption of their high-level talks that have been shelved since July, according to a U.S. State Department official.

North Korea has rejected a request by the International Atomic Energy Agency (IAEA) to allow it to inspect two sites in Yongbyon, some 90 kilometers north of Pyongyang, suspected of being part of a secret nuclear weapons development program.

Pyongyang announced in March that it was withdrawing from the Nuclear Non-Proliferation Treaty (NPT) but later "suspended" the decision following the first round of talks with the U.S.

Aspin referred to the Theater Missile Defense (TMD) Program, saying Japan and the United States should make joint efforts to develop the air defense system to knock down ballistic missiles from enemy countries, the official said. He cited options open to Japan, saying the U.S. and Japan could develop the TMD system through a joint development project, through technological exchanges between the two countries or by the purchase and sale of technologies on a commercial basis, the official said.

Nakanishi told Aspin that it is very important for Japan and the U.S. to consider the political and defense issues concerning the TMD system and then make a decision on it. Nakanishi said Japan wants to start studying the TMD program at a bilateral working-level meeting scheduled to meet Thursday.

The U.S. proposed in September that Japan and the U.S. jointly develop the TMD system against North Korea's medium-range missiles. The TMD system is designed to destroy incoming missiles while they are flying through or above the atmosphere.

In a September 27 meeting in Washington, Aspin and Nakanishi agreed to study the system within the framework of working-level consultations between defense officials.

The Japanese and U.S. Governments earlier reported that North Korea had successfully test-fired the Rodong-1 ballistic missile, which reportedly has an estimated range of 1,000 kilometers. The Rodong-1 is reportedly able to deliver nuclear and biological warheads.

Developing the TMD system for strategic purposes would cost an estimated 12 billion dollars, equal to about a quarter of the annual Japan-U.S. annual trade imbalance, over the next five years.

Aspin will leave for Seoul on Wednesday to attend the 25th annual Security Consultative Meeting between the United States and South Korea, scheduled for Wednesday to Friday.

Missile Program Urged To Counter DPRK Threat

OW0211054493 Tokyo NHK General Television Network in Japanese 0310 GMT 2 Nov 93

[Announcer-read report; from the "NHK News" program]

[Text] In touching on the issue of North Korea's development of ballistic missiles, Defense Agency [DA] Director General Keisuke Nakanishi, at this morning's session of the House of Councillors Cabinet Committee, stressed his view that in promoting the future defense policy, it will be necessary to strengthen a missile-oriented defense.

Nakanishi made these remarks in his reply to a question from Councillor Kei Ooma of the Liberal Democratic Party [LDP]. He said the situation has changed due to various factors such as the collapse of the former Soviet Union, but noted that Japan is seriously concerned because North Korea is making progress in its development of ballistic missiles. Based on this observation, DA Director General Nakanishi added: Consultations with the United States on the issue of the TMD, the theater missile defense system, have already started, and our orientation may lie in formulating a system with which we will be able to obtain information on missiles at an early stage and to take sufficient countermeasures.

In this way, Director General Nakanishi stressed his view that in promoting Japan's future defense policy, it will be necessary to strengthen missile-oriented defense.

Statement Issued on Securities Talks With U.S.

OW0211025893 Tokyo KYODO in English 0224 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Japanese and U.S. officials discussed ways to regulate their securities markets and cooperate in exchanging information and enforcing rules in Washington on Monday [1 November], according to a statement released in Tokyo on Tuesday. Each nation's authorities expect to boost their powers to enforce their own securities laws in the other country through expanded "memoranda of understanding," both sides said in the statement released in Washington and Tokyo.

U.S. officials of the Securities and Exchange Commission and their counterparts from the Japanese Finance Ministry's Securities Bureau and the Securities and Exchange Surveillance Commission also agreed in their seventh annual meeting on the need to continue such talks.

Discussion of derivatives—financial contracts such as options and futures used to transfer price risks related to underlying assets—centered on surveillance and supervision particularly of products traded in the U.S. and based on Japanese securities markets, they said.

The Finance Ministry officials agreed to continue studying options trading by Japanese investors through U.S. broker-dealers, while the U.S. side indicated it would work on alternative qualification examinations for some transferred securities personnel, the statement said.

Both sides said they support efforts to develop international standards to make the reporting of securities transactions clearer and considered efforts to liberalize

cross-border operations of each country's investment advisers and investment trusts.

Finance Ministry Studies U.S. Fiscal System

*OW0211084793 Tokyo KYODO in English 0811 GMT
2 Nov 93*

[Text] Tokyo, Nov. 2 KYODO—Chronic U.S. federal budget deficits are due to structural and institutional problems of the U.S. fiscal system, a study panel of Japan's Finance Ministry said Tuesday [2 November].

An annual scheme for U.S. national spending is formulated by the Office of Management and Budget while matters on the revenue side, such as tax, are handled by the Treasury Department, making it vague which organ should take a sole responsibility for fiscal issues, the panel said in a report.

The joint government-private sector panel was created by the Institute of Fiscal and Monetary Policy, an affiliate of the ministry, last December to clarify problems behind the twin deficits of trade and budget that afflict the United States.

Panel Chairman Haruo Shimada, a professor at Tokyo's Keio University, told a news conference that the report, which mainly deals with the actual state of U.S. fiscal conditions, could serve as "a basic text" for Japan and the United States in discussing and resolving the bilateral trade imbalance.

Panel member Yoshihide Ishiyama of IBM Japan Ltd. said Congress plays a major role in budgetary policy-making in the U.S. and this tends to dwarf the President's role in the area.

Even within Congress, over 10 budget bills representing each government department are formulated separately, making presentation of an integrated budget bill very difficult, Ishiyama said.

Mandatory spending, a category authorized permanently once outlays are approved, has been a major cause of the recent surge in certain expenditures, such as welfare expenses, he added.

The report said the current federal budget deficits, if left unattended, would help push up real interest rates, a factor curbing corporate capital spending and eventually leading to slack economic growth.

The general consensus among the American people is that the government should curtail the deficits both ways—through a spending cut and a revenue expansion, Ishiyama said. But opinions would be divergent when it comes to how to implement them, he said, adding that a seemingly ideal bill could be scrapped by interest groups involved.

Ishiyama likened a gradual increase in the U.S. federal budget deficit to a gradual worsening of cancer. The deficit in the initial stage may not cause "a major pain"

on the economy but the deficit, if prolonged and left accumulated, has a risk of "dealing a fatal blow" to the economy, he explained.

Shimada hailed President Bill Clinton's tax increase scheme under the latest fiscal reconstruction program enacted in August as "revolutionary," in view of traditional public opposition to higher taxes.

The pain of the "cancer" may have been felt even at household levels in the U.S., Shimada said.

The relatively strong popularity of industrialist Ross Perot, an advocate of higher taxes, in the 1992 presidential election may have reflected a change in public perceptions of such increases, Shimada said.

Government Not To Dump Nuclear Waste at Sea

*OW0211025093 Tokyo KYODO in English 0200 GMT
2 Nov 93*

[Text] Tokyo, Nov. 2 KYODO—Japan will not dump radioactive waste from its nuclear power stations into the ocean in the future, the Atomic Energy Commission, an advisory body to the prime minister, decided Tuesday [2 November]. The commission headed by Science and Technology Agency chief Satsuki Eda eliminated disposal at sea as an option in the wake of Russia's radioactive waste dumping into the Sea of Japan last month.

Based on the decision, the Japanese Government will support a proposal to ban dumping radioactive waste into the ocean at a London meeting beginning November 8 of the Convention on the Prevention of Marine Pollution by Dumping of Waste and Other Matter, or London dumping convention.

From 1955 to 1969, Japan disposed of radioactive waste material used for medical purposes in the sea off Sagami Bay and several other sites, but it has not disposed of radioactive waste matter from the nuclear power industry at sea, commission officials said.

In 1980 and 1981, Japan planned to dispose of nuclear power waste in the southern Pacific Ocean but abandoned the plan in the face of strong opposition from Fiji and other Pacific Island nations.

In 1983 and 1985, London dumping convention nations agreed to a temporary ban on ocean disposal of nuclear waste and Japan endorsed the plan but retained the option in its long-term plan. Japan ratified the convention in 1980.

The government apparently has been reluctant to eliminate the option of radioactive waste dumping into the sea because of possible implications for nuclear energy use, industry sources said.

Russian Atomic Energy Minister V.N. Mikhaylov told Eda on October 25 that his country's dumping posed less of a health hazard than radioactive drainage released by the Japanese electric power industry. Mikhaylov said

Tokyo Electric Power's Kashiwazaki-Kariwa nuclear power plant in Niigata Prefecture annually released large amounts of radioactivity into the Sea of Japan.

Tokyo Electric Power said the plant in 1992 released tritium, a radioactive isotope, with 390 billion becquerels of radioactivity. But Eda told Mikhaylov that the Japanese power station releases radioactive waste after "conducting assessment of public nuclear exposure and ensuring safety," agency officials said.

Sources Say Hosokawa To Offer ROK Apology

OW0211144193 Tokyo KYODO in English 1422 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Prime Minister Morihiro Hosokawa will offer an apology for Japan's 1910-1945 colonial rule of Korean peninsula when he meets South Korean President Kim Yong-sam on Saturday [6 November], government sources said Tuesday. Hosokawa will visit the ancient Korean city of Kyongju on November 6 and 7 for the summit talks with Kim.

Hosokawa will call for establishing a new era of bilateral relations with a view to the future, they said.

On Tuesday, Hosokawa called in Foreign Ministry officials telling them he wants to make the weekend visit an opportunity to establish a future-looking bilateral relation with Seoul, the sources said.

Foreign Ministry sources said South Korea is not expected to bring up the issue of the so-called "comfort women" who were forced to provide sex for Japanese soldiers during World War II.

In August, the Japanese Government under then Prime Minister Kiichi Miyazawa acknowledged that the Japanese Imperial Army forced Korean women into prostitution for its soldiers during the war and apologized for it.

South Korea Ambassador to Japan Kong No-myong has said the issue has been settled as a diplomatic problem between the two countries.

Historians estimate that Japan sent an estimated 100,000 to 200,000 women, mostly from the Korean peninsula then under Japanese rule, to frontline military brothels.

German Defense Minister Begins Visit to Japan

LD0211090393 Hamburg DPA in German 0531 GMT
02 Nov 93

[Excerpts] Tokyo (DPA)—Federal Defense Minister Volker Ruehe began a three-day visit to Japan today by meeting his Japanese colleague Keisuke Nakanishi, [director general of the Japan Defense Agency], in Tokyo. The talks are expected to focus on current issues related to regional security policy in view of North Korea's nuclear weapons plans, as well as on participation in UN peace missions. [passage omitted]

Ruehe will meet Prime Minister Morihiro Hosokawa and Foreign Minister Tsumoto Hata on Thursday [4 November] after visiting the Fuji weapons training area. The minister will also visit the memorial to the victims of the atomic bomb in Nagasaki. [passage omitted on political situation in Japan]

Meets Defense Agency Chief

OW0211124693 Tokyo KYODO in English 1220 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—The defense ministers of Germany and Japan agreed Tuesday [2 November] on the need to expand the two countries' role in United Nations Peace Keeping Operations if they are to occupy permanent seats on the U.N. Security council, Japanese Defense Agency officials said.

Japanese Defense Agency Director General Keisuke Nakanishi told German Defense Minister Volker Ruehe that Japan is ready to expand the scope of its participation. Nakanishi noted the need to make personnel contributions to the world body's peacekeeping missions, the officials said. Ruehe told Nakanishi that a permanent Security Council member is required not only to have economic capabilities but also be ready and willing to carry out Peace Keeping Operations.

Japan's Peacekeeping Cooperation Law, enacted in May 1992, paved the way for the deployment of Self-Defense Forces troops to Cambodia in October that year, the first overseas dispatch of Japan's ground troops after World War II. The law restricts Japan's peacekeeping efforts to noncombat duties.

Germany's Constitution also prohibits troops from participating in U.N. combat missions outside the North Atlantic Treaty Organization (NATO) territory. Germany and Japan, both defeated in World War II, are keeping a low profile in seeking permanent Security Council seats.

World War II victors Britain, China, France, Russia and the United States are the only permanent members.

Ruehe left Germany on Thursday for a round of calls to Thailand, South Korea and Japan as part of Germany's efforts to step up ties with Asia in political, economic, security and cultural fields. He arrived in Tokyo on Tuesday for a three-day visit at the invitation of the Defense Agency.

Tokyo, EC Critical of Numerical Targets

OW0211123993 Tokyo KYODO in English 1227 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Antitrust authorities from Japan and the European Community (EC) on Tuesday [2 November] voiced a common critical view of numerical targets on trade. During annual bilateral talks,

Japan's Fair Trade Commission told its European counterpart that fixing quantity targets on trade is detrimental to free corporate activities. The EC side agreed with the Japanese opinion, saying numerical targets, along with other trade-distorting measures like voluntary export restraints, hamper appropriate distribution of resources and hurts the interests of consumers.

They were apparently referring to a U.S. demand to set "objective criteria" for its trade with Japan to slim Tokyo's lopsided trade surplus. The regular talks will be followed by similar discussions between the Japanese commission and the U.S. antitrust agency in Tokyo on November 15 and 16.

Minister Leaves for European Tour on GATT

*OW0111071593 Tokyo KYODO in English 0522 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—Farm Minister Eijiro Hata left Monday [1 November] for a five-day European tour in which he will hold talks with Peter Sutherland, head of the General Agreement on Tariffs and Trade (GATT), and European trade officials. Hata will meet Sutherland in Geneva on Tuesday to discuss efforts to conclude the Uruguay Round of global trade talks by the December 15 deadline. He will later go to Brussels for a meeting Thursday with Rene Steichen, farm commissioner of the European Community.

Sutherland urged Japan in a visit to Tokyo last month to accept a proposal to replace import controls with tariffs, a move that would force Japan to end its ban on rice imports.

Japan bans imports of rice, its staple food, to maintain self-sufficiency for security reasons, and has insisted that rice be exempted from the so-called tariffication proposal.

During his European trip, Hata is expected to continue pressing Japan's case, as opposition from domestic rice farmers makes it hard for the Tokyo Government to accept the tariff plan. Hata is scheduled to return home Friday afternoon.

Hata Says APEC States May Unite on GATT

*OW0211032293 Tokyo KYODO in English 0254 GMT
2 Nov 93*

[Text] Tokyo, Nov. 2 KYODO—Heads of government of the Asia-Pacific Economic Cooperation (APEC) forum may make a joint appeal for global trade talks to be quickly concluded when they meet this month in the United States, Japanese Foreign Minister Tsutomu Hata said Tuesday [2 November].

Hata indicated at a regular news conference after a cabinet meeting that the leaders need to appeal for the long-stalled Uruguay Round trade negotiations, held by the General Agreement on Tariffs and Trade (GATT), to be concluded within this year. The deadline for completing the seven-year-old trade talks is set for December 15.

APEC ministers will meet from November 17 to 19 and the government leaders on November 19 and 20 in Seattle.

Hata, Australia's Evans Disagree Over Rice

*OW0211111993 Tokyo KYODO in English 1055 GMT
2 Nov 93*

[Text] Tokyo, Nov. 2 KYODO—Japanese and Australian cabinet ministers disagreed in a meeting Tuesday [2 November] over a proposal to replace Japan's rice import ban with tariffication, officials said. Japan's Foreign Minister Tsutomu Hata said, "The situation regarding liberalization of rice remains very severe and I did not mince words in telling this to our Australian friends."

For his part, Australian Foreign Minister Gareth Evans said it was made abundantly clear to the Japanese side that Australia will refuse to accept any outcome to the Uruguay Round of multilateral trade negotiations that does not include comprehensive tariffication of agricultural goods without exception.

Evans and Hata made the remarks in a joint press conference after over five hours of wide-ranging talks between the two sides in the 12th Japan-Australia ministerial conference.

"We had no expectations today of any great breakthrough, public or private," Evans said in reference to the liberalization of Japan's rice market. But he said Australia remains "hopeful" that a breakthrough on the rice issue will occur before the December 15 deadline for a conclusion of the Uruguay Round.

"There must be a breakthrough on this issue, otherwise the whole round will be in serious danger of not being able to be brought to a successful conclusion. The stakes are simply too high for everyone for that to be sensible," Evans said.

Hata vowed that Japan will go as far as possible in making concessions to facilitate the overall Uruguay Round negotiations but drew the line at liberalization of the rice market.

"Our view is that considering our food environment and agriculture environment we cannot acquiesce to that tariffication-without-exception approach," he said.

The talks were joined on the Japanese side by Finance Minister Hirohisa Fujii, International Trade and Industry Minister Hiroshi Kumagai and Economic Planning Agency Director General Manae Kubota. Australia sent six ministers to the session, including Finance Minister Ralph Willis and Trade Minister Peter Cook. Despite the disagreement over rice, Hata and Evans both declared the overall meeting a success.

"The Australia-Japan relationship is today in better shape than it's ever been," Evans said.

Evans said the two sides agreed to strengthen the Asia-Pacific Economic Cooperation (APEC) forum and to cooperate in achieving a successful outcome of the APEC ministerial and summit meetings slated for later this month in Seattle.

In an apparent allusion to Australian concerns over Japan's trade negotiations with the United States, Evans said the two sides "rejected any kind of bilateral arrangements which would lead to managed trade" and which were not consistent with the General Agreement on Tariffs and Trade (GATT).

Farm Minister, GATT Chief Discuss Rice Issue

OW0211151393 Tokyo KYODO in English 1453 GMT 2 Nov 93

[Text] Geneva, Nov. 2 KYODO—Japanese Agriculture Minister Eijiro Hata sat down Tuesday [2 November] with global trade talks chief Peter Sutherland to discuss proposed liberalization of the country's rice market, government sources said.

Hata, head of the Agriculture, Forestry and Fisheries Ministry, will reiterate that it would be difficult to accept a GATT proposal for replacing Japan's rice import ban with tariffs because it might threaten the very existence of Japanese agriculture, the officials said.

At the same time, Hata will tell Sutherland, director general of the General Agreement on Tariffs and Trade (GATT), that a successful conclusion of the Uruguay Round talks is important for Japan as well, they said.

The officials said Sutherland is expected to press for a decision by Japan to accept comprehensive tariffication, considered indispensable to a successful end of the 116-nation trade talks. He is also likely to say the December 15 deadline for a conclusion cannot be postponed.

Sutherland has repeated so far that if the round fails, the world economy will suffer irrecoverable damage.

Depending on Japan's reaction, pressure from the United States and Europe will surely further grow on Tokyo to open the rice market, analysts said.

Hata is scheduled to meet Rene Steichen, commissioner on agriculture and rural development for the European Community (EC), and other EC officials in Brussels on Wednesday before returning to Tokyo on Friday afternoon, the officials said.

First Shipment of Thai Rice Expected 20 Nov

OW3010111593 Tokyo KYODO in English 1048 GMT 30 Oct 93

[Text] Tokyo, Oct. 30 KYODO—The first shipment of 7,000 tons of Thai rice imported by Japan is due to arrive around November 20, a week behind schedule due to a delay in loading, government sources said Saturday [30 October]. The sources in the agriculture ministry said loading of the consignment began in Bangkok on

October 20, but it will take about one week for the ship to depart due to insecticide fumigation. They said the Japanese-chartered freighter Tanjung Pinang is scheduled to leave Bangkok around November 10.

It will be the first shipment of 38,000 tons of Thai rice to be shipped to Japan for making processed foods, part of imports to make up for a shortfall resulting from a disastrous rice harvest in Japan.

Official Concerned About Higher Rice Prices

OW0211031393 Tokyo KYODO in English 0225 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Economic Planning Agency (EPA) chief Manae Kubota voiced concern Tuesday [2 November] about the recent rise in rice prices and suggested rice imports be made early to help contain the price hike. Kubota told a press conference that she made the comments at a meeting of cabinet ministers earlier in the day. Kubota quoted Foreign Minister Tsutomu Hata as replying that he would study the possibility of importing rice early.

Hata is serving as acting farm minister while Agriculture, Forestry and Fisheries Minister Eijiro Hata is on a European trip to defend Japan's ban on rice imports.

Business Group Urges Rice Deregulation

OW0211084993 Tokyo KYODO in English 0819 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Japan's business group Tuesday [2 November] urged the government to set up a powerful independent body similar to the Fair Trade Commission (FTC) to monitor the progress in deregulation. The Japan Association of Corporate Executives (Keizai Doyukai) made the request in its paper to be presented to the Economic Reform Study Council, a private advisory panel to the prime minister, which is working out a report on deregulation.

The association pointed to the need to learn a lesson from the current provisional council promoting administrative reform, which has caused a delay in the reform because it is the government's internal body with relatively weak authority.

Turning to liberalization of the nation's rice market, the association repeatedly asked the government to scrap the rice import ban, saying the time has come to make a decision ahead of the December 15 deadline for the Uruguay Round of multilateral trade negotiations. It also called upon the government to effectively abolish the current food control system, pressing for liberalizing production and distribution of rice. The government should limit its food control to emergency measures, it said.

To cope with an aging society, the association stressed the need to drastically review the size and contents of social infrastructure projects.

Specifically, the organization suggested that the government's basic 10-year plan on public work spending be revised upward by some 100 trillion yen to about 530 trillion yen in order to ensure a 4 percent annual growth in the nation's social capital stock as initially expected. It also recommended that priority be given to investment in new frontier businesses like information, telecommunication and broadcasting, as well as in living and culture facilities in local core cities.

Ruling Coalition, LDP To Hold Reform Talks

OW0211142193 Tokyo KYODO in English 1359 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Parties of the ruling coalition agreed Tuesday [2 November] to hold discussions with the opposition Liberal Democratic Party (LDP) on an amendment to government-proposed political reform bills mainly aimed at changing the House of Representatives election system, officials said.

Representatives of the seven coalition partners agreed to offer five compromises, including the numbers of seats to be allotted to single-seat constituencies and decided by proportional representation.

The government bills calls for allocating 250 seats to single-seat districts and the same number to proportional representation, while the LDP bills propose 300 seats for the constituencies and 171 for proportional representation. Under present laws, each of the nation's 129 constituencies has two to six seats.

The ruling parties will offer the items for compromise to the LDP on Friday, the officials said.

The two packages of bills also aim to introduce a system to provide political parties with public financial assistance from the state coffers for their election campaigns.

The ongoing 90-day extraordinary Diet session is deliberating bills centering on renovating the lower house election system and imposing tighter controls over political fund-raising activities, both areas believed to be hotbeds of graft. The session is set to end December 15.

Prime Minister Morihiro Hosokawa has declared that he will take political responsibility if he cannot achieve political reforms by the end of this year.

Gas Industry To Pay Advertising Fees to LDP

OW2810125393 Tokyo KYODO in English 1234 GMT
28 Oct 93

[Text] Tokyo, Oct. 28 KYODO—The Japanese gas industry will continue paying advertising fees to Liberal Democratic Party (LDP) publications, now under fire as political donations, for the remainder of the current fiscal year which ends on March 31, a top industry official said Thursday [28 October]. Speaking at a press conference, Hiroshi Watanabe, head of the Japan Gas Association and chairman of Tokyo Gas Co., said its

adverts, which account for two-thirds of the association's fiscal 1993 budget for ads in LDP publications, have already been carried.

Adverts not yet published are already at the planning stage and there is no justification for canceling the contracts right now, he said. However, the association is to abolish advertising in LDP publications from fiscal 1994.

Upper House Members To Form 'Inter-Party Council'

OW3110132293 Tokyo KYODO in English 1308 GMT
31 Oct 93

[Text] Tokyo, Oct. 31 KYODO—Twenty-eight members of the House of Councillors will form an inter-party council November 11 to study ways to foster the identity of the upper house, organizers said Sunday [31 October]. The members—10 from the Liberal Democratic Party (LDP), five from the Social Democratic Party (SDP), and others from Komeito, the Democratic Socialist Party, Shinseito, the Japan New Party and other groups—will meet in a Tokyo hotel to launch the group, they said.

Former Labor Minister Masakuni Murakami of the LDP has gathered the members and Motoo Shiina, an independent who left the LDP, will chair the group, they said. The draft prospectus of the meeting obtained by KYODO NEWS SERVICE said some have questioned the upper house's "significance of existence," being dubbed a "carbon copy" of the House of Representatives.

Sixth Kajima Official Arrested for Bribery

OW0211104193 Tokyo KYODO in English 1017 GMT
2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Prosecutors arrested a managing director of leading contractor Kajima Corp. on Tuesday [2 November] on suspicion of conspiring to give a 20 million yen bribe last December to the then governor of Ibaraki Prefecture. Mamoru Tanimoto, 65, also the company's Kanto branch manager, is suspected of having conspired with Shinji Kiyoyama, vice president of Kajima, to give the money to former Ibaraki Gov. Fujio Takeuchi at a Tokyo hall December 22, 1992.

Prosecutors also allege the money was withdrawn from a secret fund at the Kanto branch which Kiyoyama had ordered Tanimoto to set up. More than 100 million yen had been pooled in the fund to be funneled to politicians, investigative sources said.

The arrest of Tanimoto brings to six the number of Kajima officials in custody. Four of them are suspected of involvement in the bribery case and two allegedly destroyed evidence relating to the payments. The sources also said Kiyoyama, 67, seems to have admitted giving the bribe to Takeuchi, 65.

The Kajima vice president denied the allegation upon his arrest October 28 but an admission by Takeuchi of receiving the payoff appears to have forced Kiyoyama to give in, the sources said.

Kiyoyama is also suspected of having instructed Kajima's Tokyo headquarters and local branch offices, including the Kanto office, in March to destroy evidence relating to the alleged payments to politicians, the sources said.

Kajima officials allegedly shredded documents just before a raid by prosecutors March 21 in connection with a massive tax evasion scandal involving fallen political kingpin Shin Kanemaru. Tanimoto is also suspected of being involved in the destruction of evidence at the Kanto branch, the sources said. Kanemaru, former vice president of the Liberal Democratic Party, is on trial on charges of avoiding tax on billions of yen in secret donations from leading construction firms.

Kajima Chairman Resigns From Post

OW0211033393 Tokyo KYODO in English 0309 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Rokuro Ishikawa, chairman of the scandal-ridden Kajima Corp., has resigned as president of the Postal Services Council, Posts and Telecommunications Minister Takenori Kanzaki said Tuesday [2 November].

Kanzaki said at a press conference following the regular cabinet meeting that Ishikawa presented a letter of resignation Monday, citing "his own convenience" as the reason for resigning. But well-placed sources said he apparently took responsibility for the widening bribery scandal in which Vice President Shinji Kiyoyama and two Sendai-based executives were arrested on suspicion of giving a 20 million yen bribe to former Ibaraki Gov. Fujio Takeuchi.

Ishikawa, 67, had been serving his third term as the panel chief since he was first appointed to the position in November 1988. The panel has been discussing an increase in postal charges expected next spring. Sources added that Ishikawa quit the post in a bid to avert public opposition to the postal charge increase.

Fujii on Muramoto Bankruptcy, Budget Bill

OW0211021793 Tokyo KYODO in English 0137 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Finance Minister Hirohisa Fujii said Tuesday [2 November] that the record-breaking bankruptcy of Muramoto Construction Co. will not seriously affect the financial system and no special measures are required.

With the efforts of financial institutions to handle bad loans making progress, Fujii told a regular press conference after the morning cabinet meeting that "there is absolutely no problem" concerning the bankruptcy.

Nara-based Muramoto Construction applied for court protection on Monday, leaving liabilities estimated at 590 billion yen, the largest bankruptcy in Japan's postwar history. Fujii said his ministry is collecting details but is not considering specific measures.

Meanwhile, Fujii indicated that his ministry is to submit a second supplementary budget bill after Prime Minister Morihiro Hosokawa returns from the Asia-Pacific Economic Cooperation (APEC) summit to be held in Seattle on November 19.

Fujii said it made better sense to wait until after the APEC meeting, but noted "we must give the Diet enough time" to discuss the bill. The current extraordinary Diet session ends in mid-December.

Ministry To Resume Issuing 4-Year Bonds

OW0211110593 Tokyo KYODO in English 0932 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—The Ministry of Finance will resume issuing four-year interest bearing government bonds for the first time in more than five years, ministry officials said Tuesday [2 November]. An auction will be held next week, they said. The move is to respond to an increasing market appetite for a variety of choices in medium-term financial instruments, they added.

At present, the Japanese Government bonds market is dominated by a bullish sentiment as interest rates are remaining low. The ministry decided that the market can digest another kind of bonds, the officials said.

There are three kinds of two-, three- and four-year interest bearing government bonds with different redemption periods. The ministry mainly issues two-year bonds. Floating of four-year bonds, which started in the fiscal 1980, has halted since June 1988.

Banking Leader Calls for Postal Savings Review

OW0211090893 Tokyo KYODO in English 0809 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Banking industry leader Tadashi Okuda on Tuesday [2 November] renewed his call for a drastic review of the postal savings system. The government should take adequate steps to prevent further swelling of the nation's postal savings funds in line with a proposal of the ad hoc commission on administrative reform, said Okuda, chairman of the Federation of Bankers Associations of Japan. The commission, an advisory body to the prime minister, underscored in its final fiscal reform proposal in October the need for the postal savings system to play a supplementary role to private banking activity.

Postal savings should serve their original purpose of providing small-lot savings instruments to investors, the commission said. Under the current system, small-lot

depositors are able to receive a higher interest rate with postal savings accounts than commercial banks can offer.

Okuda told a press conference the banking industry understands the latest commission report urges a change in the status quo regarding postal savings.

Market mechanisms should be introduced to the postal system ahead of liberalization of liquid deposits, Okuda said, noting a rate-setting formula for ordinary postal savings should follow that for ordinary bank deposits.

Okuda, also president of Dai-Ichi Kangyo Bank, called for the Bank of Japan to steer its monetary policy in a manner that would help smooth ongoing efforts by banks to liquidate their nonperforming loans. Credit and exchange risks would hamper sound banking operations, Okuda said. He also urged the tax authorities to provide breaks to banks in disposing of bad loans in fiscal 1994 tax reform, including an expansion in the rate of loan loss reserves to be counted. The most urgent matter facing the banking industry is how to liquidate banks' huge amount of bad loans and overall restructuring of their operations, he said.

Okuda said the bankruptcy of a Nara-based medium-size general contractor is unlikely to affect Japan's financial system. Muramoto Construction Co. has applied for court protection with liabilities of about 530 billion yen, the largest in Japan's postwar history. Okuda said the economy is unlikely to recover by the end of this year, citing slack personal consumption and falling corporate capital spending.

It is "too optimistic" to say the economy will begin picking up by the end of spring next year, he said.

On the business prospects of Dai-Ichi Kangyo Bank, Okuda said its unconsolidated pretax profit and net profit for the first half of this fiscal year, to be reported in late November, will be "severe."

Commission Reconfirms Need for Tax Hike

*OW0211101393 Tokyo KYODO in English 0942 GMT
2 Nov 93*

[Text] Tokyo, Nov. 2 KYODO—The government's tax commission on Tuesday [2 November] reconfirmed the need for a hike in the consumption tax rate from the current 3 percent as a way of rectifying the heavy bias toward direct taxation in Japan. Almost all commission members agreed to recommend establishing a tax system that would "meet a growing need for public services amid the rapid aging of Japanese society," commission head Kan Kato told a press conference. Likening the consumption tax to an "admission fee for receiving public services," Kato said the principle of equality should be maintained among all Japanese, though some preferential measures should be considered for socially handicapped people.

Kato repeatedly dismissed arguments that a higher consumption tax would impose an unfairly heavy financial burden on low-income and aged people due to its "regressive" nature.

The financial conditions of such people have improved markedly thanks to special benefits of the existing tax system, he said.

Commission members also agreed to propose income tax reductions ahead of raising the consumption tax for the purpose of shoring up the flagging economy, by writing a single law that could make the two steps financially feasible, Kato said.

The scheme is also designed to ease the heavy tax burden for middle-income earners with an annual salary of 6 million to 10 million yen, he said. The issuance of "bridging" government bonds can cover financial sources for income tax cuts until the consumption tax goes up, Kato said.

Kato had emerged from the tax commission's 13th and final subcommittee meeting for discussion on basic problems involved in overhauling the tax system. The commission will hold its general meeting Friday to iron out and clarify various problems discussed in the past meeting, which will serve as a basis for compilation of an interim report for tax reforms on November 16. The coming report should contain specific rates of proposed income tax reductions, Kato said.

Tuesday's meeting also confirmed a policy of postponing discussion on whether or not municipal governments should introduce a consumption tax. As a way to promote a shift of power to local governments, some members proposed the tax be applied locally. But others pointed to technical problems that would arise.

The commission will set up a special research panel to continue work on the issue, Kato said.

Opinions were mixed over whether or not tax on profit from land deals should be eased, he said.

Some argued the step should be carried out to achieve a goal of promoting land transactions amid the soft real estate market, while others said it could run counter to the goal because it would increase the appeal of land as fixed assets, curbing land liquidation, Kato said.

Labor Panel Proposes Extension of Working Age

*OW0111043593 Tokyo KYODO in English 0216 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—An advisory panel to the labor minister Monday [1 November] proposed establishing a special allowance to give incentives to those who would like to continue their careers after reaching retirement age. Some workers are deprived of incentives to continue working since they stand to receive more in social welfare pension payments than

they would if they continued working for reduced pay, the panel under the Labor Ministry's Central Employment Security Council said.

Officials said the panel proposed the government set up an allowance equivalent to 20 percent to 30 percent of salary at the retirement age of 60, to be added until the age of 64 to the pay of those who continue to work.

The panel in its medium-term report also proposed an allowance equivalent to 20 percent of salary for workers who take time off to take care of their newborn babies. The panel is expected to compile a final report by the end of the year.

Institute Proposes Stronger Consumer Protection

OW0211100193 Tokyo KYODO in English 0924 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—A government-affiliated institute Tuesday [2 November] proposed that independent consumer protection agencies be beefed up to mediate out of court settlements concerning disputes between consumers and producers. The National Institute for Research Advancement (NIRA), affiliated with the Economic Planning Agency (EPA), proposed in a report that consumer centers set up by local governments and the Office of Trade and Investment Ombudsman (OTO) be allowed to deal with disputes which involve small damages and which need not be sent to court.

Currently, disputes involving less than 300,000 yen in damages are usually settled privately. But in many cases, consumers feel dissatisfied because of unclear rules. The OTO, a government agency established in 1982, mainly deals with complaints placed by foreign companies operating here.

Air Travel Association, Tokyo Seek Lower Fares

OW0211055293 Tokyo KYODO in English 0505 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—The International Air Transport Association (IATA) has decided to reduce standard airfares for trans-Pacific flights by an average 20 percent, the Transport Ministry said Tuesday [2 November]. IATA, whose member airlines carry 98 percent of all scheduled international traffic, made the decision at a meeting that ended in Geneva on Monday, ministry officials said. The introduction of the new airfares, still subject to approval by regulators in each member country, would take effect on April 1, 1994.

The reduction had been sought by Japanese airlines trying to encourage individual tourists to buy their tickets directly from the carriers instead of from discount ticket shops, which take a cut of the revenue due the airlines. The domestic discount airplane ticket industry has been growing rapidly because of the increasing number of Japanese who now prefer to travel independently instead of with tour groups.

In a move timed to coincide with the introduction of the new fares, the ministry also plans to allow domestic carriers to set their ticket prices freely if they are within a preset range, to compete with discount tickets. Under the new price system, discount fares for group tourists will be abolished in place of discount fares for individual tours in combination with hotel stays, which would be about 20 percent lower on average than the group discount fares.

Fares for individual tourists who purchase tickets alone and within three days of their departure would be reduced by an average 20 percent. As a result, the lowest off-peak package tour ticket for a flight between Tokyo and San Francisco would be reduced from 160,000 yen to 140,000 yen. The lowest peak package tour ticket for the same flight would be reduced from 285,000 yen to 265,000 yen.

Meanwhile, first- and business-class airfares for flights to Tokyo out of North America [as received] would be raised by 5 percent and all tickets for flights to Tokyo out of Latin and South America would rise by 3 percent.

Ministry Calls for 'Culture-Exporting Society'

OW0211051493 Tokyo KYODO in English 0441 GMT 2 Nov 93

[Text] Tokyo, Nov. 2 KYODO—Japan should make more effort to spread its culture overseas in the 21st century, becoming a "culture-exporting society," the Education Ministry said in its 1993 white paper approved by the cabinet Tuesday [2 November]. This could help to [passage indistinct] with other nations while also making a contribution to the international community, it suggested.

In the paper, subtitled "Toward a Society of Cultural Transmission," Education Minister Ryoko Akamatsu called for international cultural contributions, including the dispatch of Japanese artists overseas. The minister's ideas for exporting Japanese culture were tempered, however, by separate survey results showing that while nearly three out of four Japanese enjoy "cultural activities," the most popular is karaoke. The white paper stressed that Japan should transform itself into a society that recognizes the value not only of efficiency, but also of character and beauty.

Culture with a rich character should be transmitted on personal, regional and national levels.

Among the policies offered by the minister was the promotion of international exchanges and the use of Japanese technology to help restore cultural properties and sites overseas.

The white paper also proposed the creation of a comprehensive database of the holdings and exhibitions of museums and stage performances, and the introduction of beneficial tax measures to promote patronage of cultural activities by commercial interests.

On the individual level, the separate survey noted that 75 percent of the Japanese people polled have an "interest in culture," with 73 percent taking part in cultural activities.

Karaoke topped the list, at 43 percent, of activities that Japanese participate in, according to the survey's multiple-choice section.

This was followed by "living culture" such as tea ceremony and "shogi," a board game, at 32 percent, and "art," such as painting and photography, at 24 percent.

North Korea

Envoy to UN Criticizes Nuclear Resolution

OW0211023493 Tokyo KYODO in English 0205 GMT 2 Nov 93

[Text] New York, Nov. 1 KYODO—The United Nations General Assembly [UNGA] adopted a resolution Monday [1 November] urging North Korea by a vote of 140-1 to comply with demands from the International Atomic Energy Agency (IAEA) for a full inspection of its suspected nuclear facilities.

The nine-point resolution was adopted following a report to the Assembly by IAEA Director General Hans Blix on the Vienna-based agency's efforts to negotiate with Pyongyang over the inspection.

North Korean U.N. Ambassador Pak Kil-yon said in a special statement that the resolution was inappropriate and an impediment to efforts by North Korea to resolve the issue through negotiations.

Following two rounds of talks with the U.S. this summer, Pyongyang has maintained that the issue can only be resolved through bilateral negotiations with Washington.

The U.S. has argued that suspicions about North Korea secretly attempting to create a nuclear arsenal can only be allayed through IAEA and inter-Korean inspections.

On Monday, North Korea was the only nation to vote against the resolution. Nine nations abstained, including China, Cuba and Vietnam.

The resolution, jointly submitted by 51 nations including Japan and South Korea, expresses "grave concern" that North Korea has "failed to discharge its safeguard obligations and has recently widened the area of non-compliance."

It calls for North Korea's immediate cooperation with the IAEA for full implementation of the agreement.

North Korea has refused to permit the inspection of two sites in Yongbyon, some 90 kilometers north of Pyongyang, suspected of being part of a secret nuclear weapons program.

Stymied by IAEA demands for inspection, Pyongyang announced in March that it was withdrawing from the

nuclear Non-Proliferation Treaty. It later "suspended" the decision following the first round of talks with the U.S.

Negotiations between North Korea and the U.S. in recent weeks have led to speculation that Washington may grant Pyongyang diplomatic recognition in exchange for a complete inspection of the facilities by the IAEA.

Daily Says South Pursuing Nuclear Warfare

SK0211051793 Pyongyang KCNA in English 0437 GMT 2 Nov 93

[“NODONG SINMUN Accuses S. Korean Rulers of Scheming To Inflict Nuclear and Chemical Warfare Scourge on Nation”—KCNA headline]

[Text] Pyongyang, November 2 (KCNA)—The South Korean authorities at a recent "meeting of departments concerned" decided to possess chemical weapons and seek "parliamentary ratification" in 1994. This shows they are pursuing not only a nuclear but a chemical warfare against fellow countrymen, declares NODONG SINMUN today.

The news analyst says:

It is not fortuitous that on the threshold of their decision to possess chemical weapons, the South Korean authorities made much ado about the fictitious "chemical weapons development" of the North. This reveals their ulterior intention to possess chemical weapons legitimately, not in camera while abusing the North.

The South Korean rulers, who scheme to inflict the scourge of nuclear and chemical warfare on fellow countrymen, acting a shock force of foreign aggressors, are a group of warmaniacs and traitors without precedent in the world. Never to be condoned is the criminal scheme of the "civilian"-veiled warmaniacs to promote the production of chemical weapons, worldwide-banned weapons of mass destruction, going against the trend of the times toward disarmament and detente and inflict the scourge of chemical warfare on fellow countrymen.

They had better give up the criminal preparations for nuclear and chemical warfare and act with discretion.

If they continue to do anti-national acts of bringing nuclear and chemical clouds to the Korean peninsula in collusion with outside forces despite our warnings, they will be held responsible for all the consequences arising therefrom and face a stern judgement by history.

Foreign Groups Support DPRK-U.S. Talks

SK0211051193 Pyongyang KCNA in English 0419 GMT 2 Nov 93

[Text] Pyongyang, November 2 (KCNA)—World political and public circles are calling for a solution of the "nuclear problem" on the Korean peninsula through DPRK-U.S. talks.

Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea, said in a statement that the nuclear problem on the Korean peninsula, a political and military matter caused by the United States, can be solved only through DPRK-U.S. talks. He urged the United States to come out to the talks at an early date.

The Malian Committee for supporting the independent and peaceful reunification of Korea in a statement referred to the results of the two rounds of DPRK-U.S. talks. It said all the facts show that dialogue and negotiations are the most effective way for the settlement of disputes and that with threat and strength is it impossible to ensure world peace and security.

It held that other countries must refrain from intentionally laying obstacles to dialogue.

The National Union of Students of Namibia in an appeal called on the peaceloving people and student organizations around the world to support the stand of the Democratic People's Republic of Korea for fundamentally solving the nuclear problem and exercise influence on the United States to properly implement the agreement reached at the DPRK-U.S. talks.

The Nepali paper *RISING NEPAL* said the solution of the nuclear problem which affects peace and security of the Korean peninsula and other matters needs persistent efforts which may help the DPRK and the U.S. promote their understanding of each other and be reconciled with each other.

Minister Meets PRC, PLO, Ethiopian Ambassadors

*SK0211105893 Pyongyang KCNA in English 1024
GMT 2 Nov 93*

[Text] Pyongyang, November 2 (KCNA)—O Chin-u, minister of People's Armed Forces, today met and talked respectively with Chinese Ambassador Qiao Zonghuai, Palestinian Ambassador Shahir Mohammed and Ethiopian Ambassador Getachew Zerihun who paid courtesy calls on him.

Delegation Departs for Thailand, Bangladesh

*SK0211105993 Pyongyang KCNA in English 1023
GMT 2 Nov 93*

[Text] Pyongyang, November 2 (KCNA)—A DPRK Government cultural delegation led by Chang Chol, vice-premier and minister of culture and art, left here today to visit Thailand and Bangladesh.

The delegation was seen off at the airport by Choe Ki-yong, chairman of the State Education Commission, Ho Paek-san, first vice-minister of culture and art, and other officials concerned.

Kim Il-song Greet Prime Minister of Dominica

*SK0211105093 Pyongyang KCNA in English 1005
GMT 2 Nov 93*

[Text] Pyongyang, November 2 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Monday sent a message of greetings to Mary Eugenia Charles, prime minister of the Commonwealth of Dominica, on the occasion of the 15th anniversary of the independence of Dominica.

President Kim Il-song in the message noted that the Dominican people had made big strides forward in the work for the progress and prosperity of the country and expressed the belief that the friendly relations between the two countries would develop favourably in the future.

Foreign Party Leaders Greet Kim Il-song

*SK0211051393 Pyongyang KCNA in English 0427
GMT 2 Nov 93*

[Text] Pyongyang, November 2 (KCNA)—The great leader President Kim Il-song received solidarity messages from Blasco Hugo Fernandes, chairman of the National Direction Committee of the Democratic Intervention of Portugal; A. Alimjanov, chairman of the Socialist Party of Kazakhstan; and Chairman Angel Castro Lavarello and General Secretary Tani Baler Lopera of the National Executive Committee of the Left Revolutionary Union of Peru, on the occasion of the month of support to the proposal for founding the Democratic Confederal Republic of Koryo (DCRK).

The messages said that the DCRK founding proposal advanced by President Kim Il-song was a constructive and reasonable proposal which makes it possible to solve the question of national reunification through dialogue between the North and South of Korea.

Convinced that Korea will be surely reunified on the basis of "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by President Kim Il-song, they expressed full support and solidarity for the just struggle of the Korean people.

The messages wished President Kim Il-song good health and long life.

WPK Sends Greetings to Moroccan Party

*SK0211010693 Pyongyang KCNA in English 1512
GMT 1 Nov 93*

[Text] Pyongyang, November 1 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] today sent a message of greetings to the C.C. [Central Committee], the Moroccan Progress and Socialism Party on the occasion of the 50th founding anniversary of the party.

The WPK Central Committee in the message said that the Moroccan Progress and Socialism Party, since the first day of its founding, has vigorously waged the

glorious struggle against the foreign imperialists and for national independence and for the freedom and liberation of people, greatly contributing to the independence, progress and independent development of the country. It expressed the belief that the good relations of friendship and cooperation existing between the two parties would further strengthen and develop in the future in the idea of independence against imperialism, peace and socialism.

Ecuadoran Party Leader Praises Korean People

SK0211064893 Pyongyang KCNA in English 0423
GMT 2 Nov 93

[Text] Pyongyang, November 2 (KCNA)—Victor Granda Aguilar, general secretary of the Socialist Party of Ecuador and general secretary of the Coordination of the Socialist Latin American, giving his impressions of Korea, said the Korean people are unanimously trusting in socialism, their choice, and confidently advancing along the road.

Referring to the achievements made by the Korean people in political, economic, cultural and all other social fields, he said he was deeply moved by the happy life of the Korean people.

"Seeing the noble political, ideological and moral traits of the Korean people, I was impressed by the fact that Korea where there were a small number of technicians in the past has turned into a country which has a large contingent of intellectuals and has created art worthy of praise in the world," he said.

Noting that Comrade President Kim Il-song and Comrade Kim Chong-il are great men who have devoted their all for the prosperity of the country and for the happiness of the people, he said the Korean people who are living under the popular policies of the party and the state are true to the intention of their leader in one mind.

"The Korean people who have laid solid foundations of the independent national economy have turned out as one for the prosperity and development of the country, overcoming difficulties under the slogan 'when the party is determined, we can do anything!'" he added.

Daily Marks Algerian Independence Day

SK0211064793 Pyongyang KCNA in English 0450
GMT 2 Nov 93

["39th Anniversary of Start of Revolution in Algeria"—KCNA headline]

[Text] Pyongyang, November 2 (KCNA)—MINJU CHOSON today dedicates an article to the 39th anniversary of the start of revolution in Algeria.

The article says:

The victory of the Algerian people in revolution greatly encouraged the African people for freedom and independence.

The Algerian people have struggled to liquidate the aftermath of the colonial rule and build a new independent society since the independence.

Algeria is striving to defend the dignity of the Arab nation, solve the problem of the Middle East peacefully and fairly and expand and develop the non-aligned movement.

The Korean people will strive to strengthen and develop the friendly and cooperative relations between Korea and Algeria in the interests of the two peoples. The Korean people congratulate the Algerian people on the day of the start of revolution and wish them success in the work for national unity and the prosperity of the country.

Kinship Between Kim Chong-il, People Highlighted

SK0211110093 Pyongyang KCNA in English 1022
GMT 2 Nov 93

["It Is Great Honor of Korean People To Hold Illustrious Leader in Esteem, Says NODONG SINMUN"—KCNA headline]

[Text] Pyongyang, November 2 (KCNA)—In our society the relation between the leader and the people has constantly developed into an inseparable relation of kinship and the advantages of our-style socialism are being powerfully displayed as the days go by because they hold dear Comrade Kim Chong-il with boundlessly noble virtues and distinguished popular traits in high esteem at the head of the party and the revolution, says NODONG SINMUN today in a signed article headlined "It Is Great Happiness of Our People To Hold Illustrious Leader With Popular Traits in High Esteem".

The great leader Comrade Kim Il-song said:

"Comrade Kim Chong-il has all good traits a people's leader should have."

The article notes:

The dear leader Comrade Kim Chong-il is, first of all, not only a great thinker and theoretician, statesman and military strategist with extraordinary ideological and theoretical intelligence and distinguished leadership ability but also a paragon of the people's leader with boundlessly noble virtues.

Dear Comrade Kim Chong-il is absolutely respected and trusted by the people as a great leader who has noblest virtues of a true people's leader by setting a shining example of unbounded devotion to the party, the revolution, the country and the people.

The dear leader Comrade Kim Chong-il is a great leader who is leading the people in the van with brilliant

examples of matchless loyalty and devotion to the party and revolution, the motherland and the people.

He makes it an iron rule to carry out the plan and intention of the great leader Comrade Kim Il-song for the people however difficult and vast it may be. Therefore, politics, economy, culture and other sections of revolution and construction in Korea are developing as the great leader Comrade Kim Il-song intends and constancy and continuity are surely guaranteed in lines and policies.

The dear leader Comrade Kim Chong-il also values the popular masses most and respects and puts forward revolutionary seniors.

To respect the revolutionary seniors who pioneered the cause of revolution and defend and add lustre to their ideology and exploits means carrying forward the revolutionary traditions.

Many universities, factories, enterprises and co-op farms of the country are named after veteran revolutionaries and true patriots and the exploits and merits of the revolutionary seniors who fought faithfully under the guidance of the respected leader forty years, fifty years or sixty years ago are shining more brilliantly with the passage of time. This is a proud picture which can be seen only in Korea that holds the dear Comrade Kim Chong-il with the great virtues of a people's leader in high esteem.

The dear leader Comrade Kim Chong-il administers the genuine politics of benevolence, boundlessly valuing and loving the revolutionary comrades and the people.

His love for the people is the lofty one of sharing his fate, joys and sorrows with the masses and sparing nothing for the happiness of people and the tender-hearted motherly love of believing and looking after anyone who struggles in defence of the independence of the working masses.

His noble benevolent politics finds its vivid expression in his boundless love for the revolutionary soldiers.

His love for the revolutionary soldiers is reaching all people of different social standings—workers, peasants and intellectuals.

The politics of love, the politics of trust and the all-embracing politics of the dear leader Comrade Kim Chong-il are giving rise to loyalty and filial piety among the party members and other working people and keeping beautiful communist traits into full bloom throughout the country.

Drama School Adopts Pledge to Kim Chong-il

*SK0211051593 Pyongyang KCNA in English 0432
GMT 2 Nov 93*

[Text] Pyongyang, November 2 (KCNA)—The Pyongyang University of Dramaturgy and Cinematics, a

training centre of drama and film actors and actresses, observed the 40th anniversary of its foundation.

The great leader President Kim Il-song founded the university on November 1, 1953 when everything was destroyed during the war and the situation of the country was so difficult.

Over the past 40 years after its founding the university put art education on a high scientific basis and brought up many talented artists who remain loyal to the party and the leader and are possessed of high artistic skill by carrying through the party's policy of art education.

The teachers and employees of the university and creators and artistes produced many works of high ideological and artistic value by combining theory closely with practice, education with art creation and thoroughly establishing our-style creation guidance system and thus made an active contribution to the ideological and cultural education of the party members and other working people.

The Central Committee of the Workers' Party of Korea in a congratulatory message to the teachers and students of the university on the 40th anniversary of its founding spoke highly of the great achievements registered in training talented artistes and of its big contribution to developing the art of the country.

A meeting took place Monday on the occasion.

It was attended by secretary of the Central Committee of the Workers' Party of Korea Kim Ki-nam, Vice-Premier of the Administration Council Chang Chol, chairman of the Central Committee of the General Federation of the Unions of Literature and Arts of Korea Paek In-chun and creators and artistes in the domain of literature and arts.

A letter of pledge to the dear leader Comrade Kim Chong-il was adopted at the meeting.

Local Budgetary System Income Shows Increase

*SK0111235093 Pyongyang KCNA in English 1504
GMT 1 Nov 93*

[Text] Pyongyang, November 1 (KCNA)—The total amount of income of the local budgetary system increased 2.6 times in all provinces, cities and counties of the Democratic People's Republic of Korea for past 20 years.

The local budgetary system in Korea is greatly contributing to managing local economic life well, promoting people's living, correctly implementing the state budget and accelerating the socialist construction as a whole.

In October 1973 the great leader President Kim Il-song set forth the unique policy of local budgetary system under which localities managed their economic life by themselves under the unified guidance of the state.

Over 170 cities and counties managed their economic life with subsidies of the state in 1973 but all cities and

counties have appropriated expenditure with their own income and offered a large amount of money to the state from 1977.

Kumya County of North Hamgyong Province won the title of model county of the local budgetary system first and then 40 other counties.

Indeed, the local budgetary system conforms with the real character of the socialist system; it is showing its great vitality in further consolidating the economic foundation of the country and improving the people's living by strengthening the independence of the local economy.

South Korea

UN Passes Resolution on DPRK Nuclear Issue

IAEA Director Cited

SK0111230893 Seoul KBS-1 Radio Network in Korean
2100 GMT 1 Nov 93

[YONHAP from the UN Headquarters]

[Text] Hans Blix, director general of the International Atomic Energy Agency [IAEA], has said that it is regrettable that because North Korea has so far restricted nuclear inspections by the IAEA and lowered the level of transparency, the range of nonfulfillment of obligations of the Nuclear Safeguard Accords has broadened.

Director General Blix attended the UN General Assembly's main session today and said inspections of the nuclear facilities reported by North Korea have been delayed due to its nonfulfillment of obligations of the Nuclear Safeguard Accords. He stated that the possibility that North Korea has used nuclear materials for the development of nuclear weapons cannot be ruled out until inconsistencies between the report presented by North Korea and the IAEA results are satisfactorily settled by obtaining additional information and conducting nuclear inspections.

He stressed that nuclear inspections should be conducted comprehensively [chonchejoguro], that the country to receive inspections cannot select the site to be inspected, and added: The IAEA is willing to discuss with North Korea the overall problems of the Nuclear Safeguard Accords, including the inspections of the undeclared facilities, which have not been solved to date.

Daily Cites Blix Report

SK0211090093 Seoul CHUNGANG ILBO in Korean
2 Nov 93 p 3

["Contents" of IAEA Director-General Hans Blix's report on DPRK nuclear facilities delivered to the United Nations in New York]

[Text] As a result of the inspections of North Korea's nuclear facilities by the International Atomic Energy

Agency [IAEA], it has been confirmed that some nuclear materials, which have not been reported to the IAEA, exist in North Korea.

Thus, neither can the IAEA verify the authenticity [chonghwaksong] of North Korea's report submitted to the IAEA pursuant to the nuclear safeguards accord, nor can the IAEA evaluate the completeness [wanjonsong] of its report.

The IAEA has not maintained that North Korea has abused nuclear materials for developing nuclear weapons. However, before the disparity which has been found between North Korea's report and the IAEA's inspections is completely removed by visiting the sites which are suspected, the possibility that North Korea has abused the nuclear materials for the development of nuclear weapons cannot be excluded.

If a country is faced with an issue regarding the nuclear safeguards accord, it is natural that the country should rapidly explain the issue to the IAEA. Regrettably, to say nothing of explaining the nuclear issue to the IAEA, North Korea has aroused suspicion by trying to prevent the IAEA from verifying its implementation of the nuclear safeguards accord. Thus, the scope in which North Korea has not implemented the nuclear safeguards accord is expanding.

As a result, a series of measures to verify the nuclear materials, which North Korea reported to the IAEA, has been delayed. The IAEA should constantly obtain data pursuant to the nuclear safeguards accord; the IAEA, however, cannot constantly obtain some data.

As the time in which the IAEA cannot conduct inspections is growing, the quality of the data regarding the nuclear safeguards accord cannot but be lowered. This will degrade even the confidence in North Korea's claim that it has used the nuclear facilities purely for peaceful purposes.

The IAEA is ready to conduct inspections of the nuclear facilities and nuclear materials which North Korea reported and submitted pursuant to the nuclear safeguards accord. The inspection activities are intended for overall [chonchejok] inspections; the country which should receive inspection cannot select the sites to be inspected.

The IAEA is ready to hold negotiations with North Korea over its nonimplementation pursuant to the nuclear safeguards accords, including the inspections and additional information on the sites not reported to the IAEA.

DPRK Urged To Cooperate With IAEA

SK0211003093 Seoul YONHAP in English 0015 GMT
2 Nov 93

[Text] New York, Nov. 1 (YONHAP)—The U.N. General Assembly adopted a resolution Monday urging

North Korea "to cooperate immediately" with the International Atomic Energy Agency (IAEA) on nuclear inspections. The resolution passed with 140 "yes" votes, one "no" and nine abstentions.

The nine-point resolution was adopted after Agency Director-General Hans Blix made his annual, updated report to the General Assembly on negotiations with North Korea on continuing its nuclear safeguards activities. The communist state is limiting IAEA access to suspicious nuclear compounds and fear is rising that inspection cameras may already have run out of battery and film, preventing verification that North Korea is not engaged in covert nuclear development.

The resolution registered "grave concern that (North Korea) has failed to discharge its safeguards obligations and has recently widened the area of non-compliance."

It "urges (North Korea) to cooperate immediately with the agency in the full implementation of the safeguards agreement" while commending efforts by Blix and the Secretariat to implement the agreement with Pyongyang.

The U.N. Security Council adopted a resolution pressing North Korea to comply with IAEA safeguards April 1. This is the first time that the General Assembly has passed a resolution on this matter.

North Asked To Respect Resolution

SK0211004193 Seoul YONHAP in English 0034 GMT 2 Nov 93

[Text] Seoul, Nov. 2 (YONHAP)—South Korea urged North Korea to take full note of, and respect, the will reflected in the U.N. General Assembly resolution on its nuclear situation Tuesday.

"We take note that the U.N. General Assembly confirms once again, in the name of all its members, North Korea's international obligations and urges it to immediately cooperate with implementation of the safeguards agreement," a Foreign Ministry spokesman said.

The General Assembly adopted a nine-point resolution dated Nov. 1 that said the safeguards agreement is "still in force" between the International Atomic energy agency (IAEA) and North Korea and that Pyongyang must implement the agreement.

"We urge North Korea to respect this will of U.N. members and quickly resolve suspicion of nuclear development, and at the same time faithfully implement the inter-Korean agreement on denuclearization of the Korean peninsula," the spokesman said.

'News Analysis' Views Resolution

SK0211070293 Seoul YONHAP in English 0622 GMT 2 Nov 93

[*"News analysis" by Hong Sung-wan*]

[Text] United Nations, Nov. 2 (YONHAP)—Ayes 140. Abstentions nine. Nays one.

By this lopsided score Monday [1 November] the UN General Assembly passed resolution I-13, urging North Korea to "cooperate immediately with the International Atomic Energy Agency (IAEA) in the full implementation of the safeguards agreement" on its nuclear facilities.

The sole nay came, not surprisingly, from North Korea. Not even North Korea's closest allies supported the communist country for refusing IAEA inspections of its nuclear sites.

Among the nine countries that abstained were China, Cuba, Iraq and Vietnam, and China's abstention must be seen as a tacit aye. China was opposed to the United Nations taking up the North Korean nuclear issue, calling for its resolution through dialogue, and it also abstained from a vote on a North Korean resolution at the IAEA General Assembly in Vienna at the end of September.

The abstentions by Cuba and Iraq must also be seen as cold shoulders turned toward North Korea for its widening of the area of non-compliance with nuclear safeguards obligations.

Before the vote, North Korean Ambassador Pak Kil-yon twice attempted to revise the resolution. His offer to modify part of item No. 9 of the preamble, which contained the words "expressing its grave concern that the DPRK (North Korea) has failed to discharge its safeguards obligations and has recently widened the area of non-compliance," was turned down by 104 countries.

His second proposal was to change item No. 7 of the text, where it "commends the director general and the Secretariat of the agency for their impartial efforts to implement the safeguards agreement still in force between the agency and the DPRK and urges the DPRK to cooperate immediately with the agency in the full implementation of the safeguards agreement."

This was rejected by 106 countries.

The motion for the resolution was jointly made by 48 countries, including Australia, chairmanship of the IAEA Board of Governors, South Korea and the United States on Oct. 27.

It is significant that the UN General Assembly adopted the resolution on North Korea in an overwhelming majority vote, in addition to the Security Council's similar resolution in May.

Unlike the Security Council's resolution, the General Assembly's resolution has no legally binding force but has greater political significance because it is a resolution of the United Nations as a whole.

In the resolution, the United Nations commended the IAEA for its impartial efforts to implement the safeguards accord still in force between the IAEA and North Korea, while urging Pyongyang to cooperate immediately with the IAEA "in the full implementation of the safeguards agreement." This will undoubtedly put considerable pressure on North Korea, which is trying to solve its nuclear issue through direct dialogue with the United States on the pretext of what it alleges is the IAEA's bias.

In his report, IAEA Director-General Hans Blix expressed concern that because of North Korea's refusal to receive IAEA special and ordinary inspections of its nuclear facilities, the continuity of safeguards regarding these facilities is being broken. He stressed that a country subject to IAEA inspections cannot select the scope of inspections.

With Monday's resolution, the United Nations has established its firm position on North Korea's nuclear problem. Should North Korea continue to reject IAEA inspections, it inevitably faces Security Council action. The resolution endorses the possibility of sanctions.

Daily Interviews Kim Yong-sam on U.S., North
SK0211080293 Seoul THE KOREA TIMES in English
2 Nov 93 p 2

[“Text” of “exclusive” interview with ROK President Kim Yong-sam on the occasion of the 43d anniversary of THE KOREA TIMES; place and date not given]

[Excerpts] QUESTION: According to a recent report, the United States and North Korea have held behind-the-scenes contacts and are seemingly close to an agreement that they will deal in a package with Washington's diplomatic recognition of Pyongyang and international inspection of North Korean nuclear facilities. What is the position on this?

ANSWER: The content of the U.S.-North Korea contacts reach me immediately every time they take place. The contacts still remain working-level ones. For the deal, the United States has set two preconditions: North Korea has to accept nuclear inspections by the International Atomic Energy Agency (IAEA) and hold inter-Korean dialogue. That is, Washington wants to see Seoul and Pyongyang exchange special presidential envoys.

As things stand, high-level talks between Washington and Pyongyang are not likely to take place this month.

The North is at its most critical point since its birth. Its economy is in a more. The reduction in harvests this year is as much as 60 percent. But its staggering economy does not allow it to import food grains.

Q: Recently, the ruling Democratic Liberal Party [DLP] has shown signs of a schism as evidenced in the “revolt

votes” on a resolution of the National Assembly on two lawmakers in jail. Do you feel the need to reshuffle the DLP leadership?

A: There is no schism. the media has reported it in an exaggerated manner.

Q: What do you think are the significance of your second summit talks with U.S. President Bill Clinton in Washington in mid- November? And that major issues are on the agenda?

A: Both Korea and the United States saw the birth of new administrations this year and they are undertaking reforms to overcome economic and social downtrends.

The surrounding situation shows that the world is charting a new post-Cold War order in which the Asia-Pacific region, particularly Northeast Asia, is playing a more important role.

The APEC [Asia-Pacific Economic Cooperation] conference taking place prior to my visit to Washington is to discuss ways of keeping pace by Asia-Pacific nations for the creation of the new global order. The conference will be of great significance for the future of the region.

Taking the situation into consideration, it is high time for the two heads of state to discuss matters of mutual concern, without reservation, and to promote mutual understanding.

When President Clinton was here in Korea last July, I exchanged a wide range of views on outstanding issues involving the two countries.

The coming second summit will serve as an important occasion to render the ever-closer bilateral relations even more solid and send them anew in a future-oriented direction.

I will have wide-ranging consultation with President Clinton on ways of strengthening the partnership in all fields, including politics, national security, economy and culture, at the same time as we cement the ties of co-prosperity and stability in the Asia- Pacific area.

Also on the agenda will undoubtedly be the North Korean nuclear development.

Q: What is the government position on the burgeoning move by the United Nations to impose sanctions on North Korea?

A: The government takes the unswerving position that the suspected development of nuclear weapons by North Korea has to be stopped by all means available for the peace and stability of both the Korean peninsula and the world.

Nothing would be more desirable if South and North Korea were able to solve the nuclear issue by themselves in accordance with the declaration on the nuclear-free Korean peninsula with which two Koreas had agreed before.

However, North Korea, refusing to allow international nuclear inspections, much less the proposed simultaneous inter-Korean ones, permits suspicions to snowball.

The North Korean nuclear issue has outgrown one between South and North Korea to become an international question.

For a solution, joint international efforts are required.

The government has not given up efforts to solve it in a peaceful way.

We should lead North Korea to become aware of the fact that its development of nuclear weapons is not help to it. We have to persuade it to abandon the nuclear program.

In parallel with this effort, the government, cooperating closely with international organizations and friendly nation, will work out effective measures. [passage omitted]

Q: Reports have it that China has recently gone ahead with nuclear tests and North Korea has shown unusual military moves. The worrisome developments give rise to wide suspicion that Japan, taking advantage of them, is seeking to return to militarism and acquire nuclear arms. Please tell us about your opinion.

A: They say that the global Cold War is over but the ice of the old world order has yet to thaw on the Korean peninsula.

The international community is making efforts to prevent the proliferation of weapons of mass-destruction and the efforts are bearing remarkable fruit, regionally and by section. But, to our misfortune, the situation in Northeast Asia is swimming against the tide.

Today's global peace can be sustained only through multilateral joint efforts. So, the government, acting on its "new diplomacy," will actively join in international efforts for the guarantee of regional security and world peace.

Multilateral dialogue involving the countries in the region is needed to ensure such security.

The nations in the area should dispel distrust in each other through close dialogue in parallel with the efforts to enhance their military transparency.

Defense Minister Remarks on Eve of U.S. Talks

SK0211143593 Seoul KBS-1 Television Network in Korean 1208 GMT 2 Nov 93

[Interview with Kwon Yong-hae, ROK Defense Minister, by Anchorman Yi Yun-song—live]

[Text] [Yi Yun-song] The ROK-U.S. security consultative meeting [SCM] this year will be held in Seoul for two days beginning tomorrow. The meeting draws our attention as the meeting is expected to discuss the North

Korean nuclear issue and the issue of whether to continue the Team Spirit exercise. Defense Minister Kwon Yong-hae, the delegate from our side, is invited to our KBS studio.

How are you Mr. Minister? There has been a UN resolution calling for North Korean nuclear inspection. What is the position of our Armed Forces regarding the North Korean nuclear issue? How will you discuss this issue with the U.S. side?

[Kwon Yong-hae] It is very clear against whom and how North Korea will use the nuclear weapons it develops. We, the Armed Forces, must prepare for it. Our Armed Forces will make efforts to solve this problem through the international security organization and international cooperation system. If North Korea does not change its attitude despite international efforts, including the efforts of the United Nations, sanctions may be forthcoming. In the event of sanctions, North Korea could perpetrate military provocations. The Defense Ministry will discuss our measure for such provocations at the ROK-U.S. SCM meeting. We all hope that the developments will not lead to military sanctions or military provocation.

[Yi] Some foreign media report that the United States will stop the Team Spirit exercise for good if suspicion regarding the North Korean nuclear program is resolved. Is this our position as well?

[Kwon] I would like to make it clear that no decision has been made between the ROK and the United States concerning the suspension of the Team Spirit exercise for next year. It is the position of our Armed Forces that the Team Spirit exercise is an exercise we conduct because of military need under the ROK-U.S. combined defense system and that it cannot be an object of negotiation connected with the nuclear issue. However, I think that the suspension of the exercise can be seen from the political standpoint of whether North Korea makes a momentous change in connection with its most dangerous and troublesome nuclear issue.

[Yi] Some people think that the role of the U.S. Forces in the ROK should be readjusted with the change in the security environment and with the development of the times. What is our position on this?

[Kwon] Until the end of the present century, U.S. Forces in the ROK will play the leading role in the defense of the ROK. Both sides, however, agree on the long-term view that gradually the U.S. Forces in the ROK will assume an auxiliary and support role, with our ROK Forces assuming the leading role.

[Yi] Does our position remain unchanged that we will not dispatch combat troops to Somalia? The United States may take up this matter in the meeting.

[Kwon] To make a conclusive remark, neither our government nor our Defense Ministry has any plan to dispatch combat troops to Somalia nor do we have any plan to review such a plan.

Editorial Views ROK-U.S. Military Cooperation

SK0211071693 Seoul TONG-A ILBO in Korean 2 Nov 93 p 3

[Editorial: "The ROK-U.S. Security Cooperation Should Be Strengthened"]

[Text] Our concern is focused on the 25th ROK-U.S. annual Security Consultative Meeting [SCM] slated for 3-4 November in Seoul. This is because the SCM will be held under sensitive circumstances inasmuch as the security situation of the Korean peninsula has entered a tense phase because of North Korea's nuclear issue. In addition, the SCM will be the first one held after the new ROK and U.S. Administrations were launched.

The ROK-U.S. joint defense system has been maintained since the ROK-U.S. Mutual Defense Treaty was signed in 1953. Since then, based on the ROK-U.S. Mutual Defense Treaty, the ROK and the United States have consolidated the ROK defense system and have defended the stability of the Korean peninsula. The ROK and the United States have closely developed the ROK-U.S. joint defense system through the ROK-U.S. SCM, which has been held annually alternately in the ROK and the United States.

North Korea's nuclear issue, which has flared up since the end of the Cold War, gravely threatens the defense and security of the ROK as well as the stability of the Korean peninsula. It is of concern that the North Korean nuclear issue will gravely affect the Nuclear Nonproliferation Treaty system initiated by the United States.

The ROK-U.S. annual SCM will handle various major points in its agenda. Above all, the North Korean nuclear issue, which has gravely affected the Korean peninsula situation, will be handled. In addition, the ROK-U.S. annual SCM will discuss the issue of strengthening the ROK Army's role in defending the ROK, the issue of changing the role of the U.S. Forces in Korea, the plan to transfer the peacetime operational command over the ROK Army to the ROK side, and the issue of deciding to shoulder the 1994 defense expenses for the U.S. Army in Korea. In connection with the new U.S. Administration's "win and win" strategy, is the issue of jointly studying and considering the direction of a long-term ROK-U.S. security cooperation.

However, our concern is focused on the ROK-U.S. joint measure against North Korea's nuclear development and on the Team Spirit exercise. In connection with this, we should point out two facts: First, North Korea's nuclear development should be checked without fail. The International Atomic Energy Agency, the United States, and the ROK are making their own efforts to prevent North Korea from developing nuclear weapons. Through the

ROK-U.S. annual SCM, the ROK and the United States should take a strong joint measure against North Korea's nuclear development. Second, the ROK and the United States should make it clear that, as North Korea has claimed, the Team Spirit exercise is never a nuclear war exercise but a normal military exercise to strengthen the ROK-U.S. joint defense system. Thus, in case North Korea's nuclear issue is positively resolved, the Team Spirit exercise can be discontinued. However, the discontinuation of the Team Spirit exercise cannot be a prerequisite for resolving North Korea's nuclear issue.

Prior to holding the ROK-U.S. annual SCM, the ROK and the United States have agreed to return the wartime operational command over the U.S. 7th Fleet to the ROK-U.S. Combined Forces Command. By so doing, the United States can automatically intervene in the Korean peninsula as a contingency. This is desirable for strengthening the ROK-U.S. joint defense system. Through the ROK-U.S. annual SCM, the ROK and the United States should show a firm will for the defense and security of the ROK. By so doing, the two countries should do their best to positively affect the solution of North Korea's nuclear issue.

Daily Interviews Ambassador to U.S. Han Sung-su

SK0211093393 Seoul TONG-A ILBO in Korean 2 Nov 93 p 25

[Interview with Han Sung-su, ROK ambassador to the United States, by reporter Kim Cha-su on 1 November; place not given; first two paragraphs are Kim's introduction]

[Text] On 1 November, Han Sung-su, the ROK ambassador to the United States, said that "the United States and North Korea have recently held several working-level contacts in New York, but they have failed to reach any significant agreement in solving the North Korean nuclear issue."

That same day, Ambassador Han, who is now in Seoul to attend the annual ROK-U.S. security consultative meeting, revealed that "unless North Korea accepts the International Atomic Energy Agency's [IAEA] routine inspections [tongsang sachal] and, consequently, makes meaningful progress in North-South dialogue, U.S.-North Korean high-level talks will not be held."

[Kim Cha-su] An agreement to make a package deal of the North Korean nuclear issue and the issue of establishing diplomatic relations between the United States and North Korea was reportedly reached at the working-level contacts held in New York between the United States and North Korea. Is that true?

[Han Sung-su] It is true that various ways and measures were discussed by working-level officials of the two sides during the contacts. However, I cannot disclose the details at present. The working-level contacts discussed mainly procedural matters for high-level negotiations

between the United States and North Korea. So, matters of principle have not been decided at the working-level contacts.

[Kim] What about the prospects for a third round of U.S.-North Korean high-level talks?

[Han] If North Korea accepts the IAEA's routine inspection [tongsang sachal] and responds to North-South dialogue, the talks will be held. However, nothing on a third round of the high-level talks has been decided yet.

[Kim] Would you tell me about our government's basic stance toward the Asia-Pacific Economic Council [APEC] meeting which will be held in Seattle in the United States on 19 November and toward the upcoming ROK-U.S. summit talks?

[Han] Our government's stance is that the APEC should serve in accordance with principles of open regionalism [kaebangchok chiyokchuui] to strengthen cooperation. The 15 member states of the APEC are at different stages of economic development and may be said to be a miniature version of the world economy. Therefore, if we properly develop this organization, we can make it a cooperative model for the world economy. Also, the upcoming ROK-U.S. summit talks will contribute to strengthening practical cooperative relations between the two countries. The Clinton administration's two main pillars of foreign policy are democracy in politics and the market economy. The ROK is moving in the direction of this trend. Therefore, I think President Kim Yong-sam will be warmly received when he visits Washington.

[Kim] Will the ROK-U.S. summit talks discuss the issue of opening rice markets in our country? If so, what stance will our government take in this regard?

[Han] The agenda for discussion during the summit talks have yet to be decided, and they are now being discussed among working-level officials of the two sides. Even if the issue of opening rice markets is discussed in the talks we will continue to stress our basic stance that we cannot open our rice markets.

[Kim] Recently, criticism in the United States has risen over the Clinton administration's foreign policy. What effect do you think this will have on U.S. policy toward the ROK and the North Korean nuclear issue?

[Han] Since President Clinton took office, the United States has been changing its diplomatic line from a strategy in which Europe took precedence over the Asia-Pacific region to one which is placing more importance on the Asia-Pacific region. Those who advocate the importance of the countries across the Atlantic Ocean criticize Clinton's foreign policy. However, increasing U.S. interest in Asia and the Pacific will contribute not only to solving the North Korean nuclear issue, but also to maintaining security in Northeast Asia.

Government, U.S. To Meet on Export Issues

*SK3110110493 Seoul KBS-1 Radio Network in Korean
1010 GMT 31 Oct 93*

[Text] Our country and the United States will hold a working-level meeting of the committee for control of exports to the communist sphere in Seoul on 1 November. They will intensively discuss the issue of controlling import and export of strategic materials, including nuclear-related materials.

At the talks our side, pointing out the fact that our country introduced early this month a system of controlling imports and exports of strategic materials, will actively request that the U.S. side transfer ultramodern technology and expand import and export of high-standard technological items.

The U.S. side, however, will likely insist on first examining if the control of strategic materials, when they were exported to the communist bloc nations, was properly implemented after our country adopted this system before they transfer technology.

Businessmen To Start Joint U.S. Technology Fund

SK0211064493 Seoul YONHAP in English 0457 GMT 2 Nov 93

[Text] Seoul, Nov. 2 (YONHAP)—Four of South Korea's most powerful industrialists decided Tuesday to set up a Korea-U.S. Industrial Technology Cooperation Fund, expand cooperation with the Japanese Federation of Economic Organization (Keidanren) and join the Business and Industry Committee (BIAC), an affiliate of the Organization for Economic Cooperation and Development (OECD).

Sunkyong Group Chairman Che Chong-hyon, Samsung Group Chairman Yi Kon-hui, Hyundai Group Chairman Chong Se-yong and Daewoo Group Chairman Kim U-chung decided that the Federation of Korean Industries (FKI), which they head, will invest 4.3 million U.S. dollars in establishment of the technology cooperation fund in December.

The fund's purpose will be to support joint projects between Korean and U.S. industry, encourage technology exchange programs in seven areas such as semiconductor, computer and machinery, and help Korean firms pay royalties to U.S. companies.

To expand cooperation with Japan, a joint FKI-Keidanren working-level committee will be formed this month and meet in Seoul in January. The committee was agreed on at the Korea-Japan business meeting on Oct. 14 in Seoul.

FKI will send a working-level mission to Paris in December for talks with BIAC. If FKI is admitted, Korea will obtain data on the economic and industrial activities of advanced countries.

Students Storm Kwangju U.S. Center 2 Nov

SK0211004793 Seoul YONHAP in English 0036 GMT 2 Nov 93

[Text] Kwangju, Nov. 2 (YONHAP)—About 500 students pelted the Kwangju American Center and a nearby police station with rocks and molotov cocktails early Tuesday morning. There were no reports of casualties, but two police cars were set on fire.

Students from Chonnam, Choson and other universities in Kwangju and other cities in South Cholla Province, marking the first anniversary of the murder of bargirl Yun Kum-i by an American soldier, have made several attacks on the center to call for the withdrawal of U.S. Forces from South Korea.

The students have declared a week of anti-American struggle ending on Wednesday.

Seoul Confirms Chochongnyon Funding North

SK0211003893 Seoul YONHAP in English 2352 GMT 1 Nov 93

[Text] Seoul, Nov. 2 (YONHAP)—A senior South Korean Government official said Tuesday that the pro-Pyongyang organization of Korean residents in Japan, or Chochongnyon, is funding the Stalinist regime in North Korea. The official said, however, he could not confirm a report by THE NEW YORK TIMES that money from Chochongnyon was being used by North Korea to develop nuclear weapons.

The official, who declined to be identified, said the total amount of money that Chochongnyon sends to North Korea every year is estimated at about 500 million U.S. dollars. If the United Nations decides to impose economic sanctions against North Korea over the nuclear issue, the Chochongnyon funding question will be discussed at the world body, he said.

South Offers To Bid With North To Host Event

SK0211065993 Seoul YONHAP in English 0525 GMT 2 Nov 93

[Text] Seoul, Nov. 2 (YONHAP)—The government has decided to bid to host the 2002 World Cup jointly with North Korea if Pyongyang wants, Culture and Sports Minister Yi Min-sop said Tuesday.

Talking to reporters, Yi said the government hopes to use the impetus of South Korea's advance to the 1994 World Cup finals to try and obtain the right to host the 2002 World Cup.

Yi said his ministry will consult with the Korean Football Association to form a special committee to prepare a bid for the world championship of soccer.

"If North Korea wants, the government will study for a joint bid in order to help solidify the Korean people and end the cold war," Yi said.

The government will make a formal proposal when South and North Korea resume their prime ministerial conference, the minister said.

Yi also said the government will promote plans to form a unified team with North Korea to play in the 1994 World Cup, although there are many problems involving regulations of the Federation of International Football Associations (FIFA).

On a separate issue, the minister said the government will push plans to host the 1996 Winter Asian Games at the Asian Olympic Consultative Committee meeting in Kuwait on Nov. 30-Dec. 2.

Yi, who visited Australia for one week from Oct. 25, said that South Korea has agreed with Australia, China and Japan to establish a four-nation soccer tournament.

New North-South Exchange Council Begins 1 Nov

SK0211101693 Seoul CHOSON ILBO in Korean 2 Nov 93 p 4

[Article by reporter Kim Min-pae: "People's Attention to Character of the 'Council for North-South Civilian Exchanges'"]

[Text] An organization called "the Council for North-South Civilian Exchanges" was formally inaugurated on 1 November. The formation of the council came after four months since its board of directors was organized.

This organization completed registration at the court as a corporate juridical person with permission of the National Unification Board [NUB]. What attracts the people's attention before this organization starts its activities is the diversity of the ideological and political characteristic of the "candidates for its members" whom the promotion committee is going to invite to join. The number of the candidates is about 150.

The line-up of the board of directors is as follows: The chairman of the board is Pastor Pak Hyong-kyu; the standing vice chairman is Kim Sung-kyun, representative of Ilwol Sogak Publishing House; the vice chairmen are Yi Yong-hui, professor of Hanyang University; Yi Hyo-chae, former professor of Ehwa Women's University; Chang Ul-pyong, president of Songgyungwan University; and Han Sung-hon, lawyer. They once led the opposition circles' movement for democratization. In addition, Kim Myong-yun, lawyer; Ye Chun-ho, chairman of the Social Science Research Institute; and Yun Han-sik, professor of Korea Advanced Institute of Science and Technology, are named as advisers. Kim Chung-pae, president of HANGYORE SINMUN Newspaper Company; Kim Chan-kuk, president of Sangji University; Mun Pyong-nan, professor of Choson University, and Yu Sang-tok, vice chairman of the National Teachers Trade Union, are the members of the board of directors.

Pak Kwan-yong, chief of presidential secretaries in Chongwadae [presidential residence]; Kim Tok-yong, minister of state affairs; assemblymen from ruling party, Choe Hyong-u, Kang Sam-chae, Yu Song-hwan, and Pak Chong-ung, and former Assemblyman Nam Chae-hui; assemblymen from the Democratic Party, Kim Sang-hyon, Kim Won-ki, Chong Tae-chol, Yu Chunsang, Yi Chol, Kim Pyong-o, Yi Hae-chan, Chang Yong-tal, and Pak Kye-tong, have been invited to join this organization. In addition, about 30 figures from cultural circles including Sin Kyong-nim; about 40 figures from academic field including Professor Kang Man-kil, and 10-20 lawyers, journalists, and publishers were also invited to become its members. The Promotion Committee has already received membership applications from many of them. This organization declared in the letter of invitation for membership that "with inauguration of the innovative civilian government, let us contribute to the reunification by carrying out works for North-South exchange." The statute stipulates joint North-South civic projects; economic, cultural, and press exchanges between the North and the South, and other "projects." O Se-ku, senior member in its secretariat, said that "this organization was inaugurated with the purpose of contributing to the peaceful reunification of the North and the South, and its activities have nothing to do with actual politics."

However, some quarters already raised various interpretations as to character and future of this organization. Those who were invited to join this organization also presented various different voices. Pak Kwan-yong, chief presidential secretary, said that he knows nothing about it. Assemblyman Choe Hyong-hu said: I understand that opposition circles pushed ahead with this organization in order to carry out legal reunification movement within the legal political system. However, I have not decided whether I will join or not.

Meanwhile, Assemblymen Kim Sang-hyon and Kim Won-ki said "we only gave our consent to their movement." Assemblyman Yi Chol stated that since he was interested in civilian-level North-South trade, he makes efforts to help it. But he avoided further commenting on its political nature.

'Comfort Women' Group Members To Visit Pyongyang

SK0211110293 Seoul YONHAP in English 0946 GMT 2 Nov 93

[Text] Seoul, Nov. 2 (YONHAP)—Two leaders of the Korean Council for Measures for Women Forced To Furnish Sex Service to Japanese Soldiers During World War II are expected to visit North Korea to attend an international meeting on "comfort women" slated for Nov. 7-8 in Pyongyang.

The government on Tuesday [2 November] authorized the application filed by Yi Hyo-chae and Yun Chong-ok, both co-chairwomen of the council, for permission to visit North Korea.

At the Pyongyang meeting, representatives of "comfort women"-related organizations of South and North Korea, Japan, the Philippines and the Netherlands will discuss ways to obtain compensation from Japan for the woman victims.

Yi and Yun will leave the country on Friday and enter North Korea by way of Beijing. They are set to return home next Tuesday.

Daily on Frequency of Kim Il-song Guidance

SK0211045693 Seoul CHOSON ILBO in Korean 2 Nov 93 p 23

[From the "Reunification Road" column—"Reality and Propaganda" by To Chun-ho, deputy director of CHOSON ILBO's North Korean Department]

[Text] This year North Korean President Kim Il-song is actively carrying out on-the-spot guidance at farms despite his old age of 80. Until last year he gave on-the-spot guidance only two to three times a year. The Board of National Unification revealed, however, that he made 14 on-the-spot guidance appearances this year alone. The places he gave guidance were diverse, such as orchards, chicken farms, and cooperative farms. He frequently visited reclaimed land areas, in particular.

In April he inspected the 3 June cooperative farm in Onchon County, South Pyongan Province, which was turned into a reclaimed land farm. He once again visited the 3 June cooperative farm in September. In addition he also inspected two other reclaimed land farms, including the 3 March farm. The 3 June and 3 March farms are part of a 3,300 chongbo [1 chongbo equals 2.45 acres] reclaimed land farms that North Korea cultivated from August 1986 by engaging soldiers and youth shock brigades.

The reason Kim Il-song is putting such emphasis on inspecting reclaimed land is that he earnestly hopes to develop farmland, which there is a shortage of, into reclaimed land and increase food production in this area by using mechanizing farming methods. During its third Seven-Year Plan (1987-1993), under the goal of cultivating 300,000 chongbo of land, North Korea is carrying out vigorous work in 14 regions, including Kado, North Pyongan Province; Chungsan, South Pyongan Province; and Ongjin Bay, South Hwanghae Province. However, only 140,000 chongbo of land have been reclaimed at present.

Until now Kim Chong-il had been in charge of the field of agriculture. However, currently Kim Il-song is personally carrying out on-the-spot guidances of some parts of the agriculture field.

While inspecting the cooperative farm in Onchon County, South Pyongan Province, Kim Il-song called for the acceleration of production of various agricultural machines and emphasized: "Irrigation and electrification have been realized at a high level in our country's

farms. If the overall mechanization of farming is realized, our agriculture will leap to a new stage and the superiority of the socialist rural economy will be highly manifested."

Nevertheless, it is unknown to what degree Kim Il-song's on-the-spot guidance will be effective. During the mid-fifties, after the end of the 25 June war, Kim Il-song encouraged an increased production by making on-the-spot guidance throughout the nation, thus achieving considerable results. At that time, the ability to effectively mobilize manpower was directly linked with the increase in output.

North Korea's current agriculture problem does not lie on how much farmers should be encouraged to increase production, but on the fact that they have small farming land areas, backward technology, and a lack of fertilizers. The machines and technology introduced from the old Soviet Union are limited, and production of fertilizers is not increasing at all. Moreover, because of the damage caused by cold weather this year, the Korean peninsula, Manchuria, as well as Japan, are expected to face difficulties in rice production. These countries are already fussing about bringing rice from overseas.

Nevertheless, in the third round of working-level contact for the exchange of special envoys, Pak Yong-su, chief delegate of the North side, said: "Food production in Manchuria, South Korea, and Japan has been reduced considerably because of damage caused by the cold weather, but North Korea has achieved a bumper crop. I believe this is due to the fact that God has highly regarded North Korea's spirit." In a meeting with Gary Ackerman, chairman of the U.S. House Subcommittee on Asia-Pacific Affairs, when he visited North Korea, Kim Il-song boasted: "North Korea achieved an unprecedented bumper crop." On any account, it seems that propaganda seems to be more prevalent than reality.

DPRK's Imports of Used Japanese Cars Surge

SK0211011093 Seoul YONHAP in English 0025 GMT 2 Nov 93

[Text] Seoul, Nov. 2 (YONHAP)—North Korea imported 6,830 cars from Japan for 2,938 million yen (21.7 billion won, or 26.8 million U.S. dollars) in January-July, government officials said Tuesday. The amount is 686.4 percent more than a year earlier and accounts for 19.6 percent of North Korea's total imports from Japan in the seven months.

North Korea buys mostly used cars and as the communist regime, which offers little freedom of movement, has no great need for them and they are believed to be for some purpose other than transportation, the officials said.

North Korea is currently active in border trade with China via Amnok and the Tuman River and barter items are mostly cars. To solve its dire need for foreign currency, the Stalinist country imports Japanese used

cars and smuggles them into China, they said. It is said to pocket between 10 million dollars and 30 million dollars for each Japanese car, and is dealing with other foreign cars as well.

North Korea imported 1,764 million yen worth of machinery from Japan in the same month, just 60 percent of the car shipment, and 1,228 million yen of woolen goods, which were last year's biggest import item.

German Defense Minister Visits Panmunjom

LD0111133293 Hamburg DPA in German 1122 GMT 1 Nov 93

[Text] Seoul (DPA)—Germany and South Korea, as states without nuclear weapons, support in principle the worldwide nonproliferation of nuclear weapons and are in favor of an indefinite extension of the International Nuclear Nonproliferation Treaty. This joint stand was stressed by Federal Defense Minister Volker Ruehe and South Korean President Kim Yong-sam during a meeting in Seoul today.

During a visit afterward to the cease-fire village of Panmunjom in the Korean demarcation zone, Ruehe also said that the reunification of Korea is more difficult than Germany's.

German delegation circles said President Kim and other South Korean politicians have shown "very great interest" in German reunification in their talks with Ruehe. Ruehe said in response that German unification was made possible by the fact that conditions other than those prevailing at present in the Korean peninsula prevailed in Europe.

Ruehe supported efforts by South Korea to persuade communist North Korea to give way on its nuclear program. This will also have to include the special International Atomic Energy Agency inspections of nuclear installations, which Pyongyang has so far rejected. North Korea is suspected of developing nuclear weapons.

According to German delegation circles, Kim and South Korean Defense Minister Kwon Yong-hae said in their talks with Ruehe that they do not yet see any immediate threat in North Korea's nuclear activities. North Korea could also certainly use the nuclear issue in its talks with the United States as a means of finding a way out of its isolation.

After Thailand, South Korea is the second stage of the trip to Asia by Ruehe, who will visit Japan tomorrow.

Experts To Visit Moscow for Nuclear Waste Talks

SK0211071993 Seoul YONHAP in English 0635 GMT 2 Nov 93

[Text] Moscow, Nov. 2 (YONHAP)—Nuclear experts from South Korea and Russia will discuss matters concerning Russia's dumping of nuclear waste dumping in the East Sea (Sea of Japan) in Moscow on Wednesday [3 November] through Thursday.

They will cover joint exploration of the East Sea, cooperation on nuclear waste disposal facilities and exchange of information.

The chief Korean delegate is Cho Won-il, director general of the Foreign Ministry's International Economics Bureau.

Seoul is to call for Moscow to completely stop dumping radioactive waste in the East Sea and to designate areas for joint exploration. It will also propose forming a joint exploration team this year or early next year and discuss financing.

Moscow is likely to call for Seoul to pay all the costs and to financially support Russia's building of nuclear waste disposal facilities.

Russia had a similar meeting with Japan on nuclear waste disposal and, when the financial matter is resolved, the three countries are likely to form a joint team.

Russia Names Georgiy Kunadze Envoy to Seoul

SK0211103993 Seoul KBS-1 Radio Network in Korean 1015 GMT 2 Nov 93

[Text] Georgiy Kunadze, the Russian vice foreign minister who is well-versed in Japanese affairs, has been appointed as Russian ambassador to the ROK, ITAR-TASS reported. ITAR-TASS, quoting the source of the Presidential Public Information Office on 1 November, said that President Yeltsin signed the document for the appointment.

DLP 'Friendship' Delegation To Visit China

SK3110060393 Seoul KYONGHYANG SINMUN in Korean 31 Oct 93 p 2

[From the column "Reporter's Bench"]

[Text] The Democratic Liberal Party [DLP] on 30 October decided to dispatch its friendship delegation led by Cho Pu-yong, second deputy secretary general, to China on 9 November. The visit is made for the first time in the political party history of the ROK at the

official invitation of the Communist Party of China. The DLP selected the six members of the delegation, including No Sung-u, director of the Policy Research Department; Cho Yong-chik, deputy spokesman; lawmaker Kim Hyong-o; and Yi U-kak, director of the international department. However, at the request of the CPC, which worried over its relations with North Korea, the DLP has not been able to make an official announcement on the delegation's China visit. The CPC proposed the inter-party exchange and cooperation between the CPC and the DLP through the ROK Embassy in China last March, and has recently made an official request to the DLP for the dispatch of a working delegation to China to discuss exchange and cooperation between the two parties. The DLP is reported to be pushing ahead with a plan to visit China by Chairman Kim Chong-pil or Secretary General Hwang Myong-su. During the DLP delegation's six-day visit to China, two rounds of working talks and a visit to the National People's Congress are scheduled. In particular, Li Schuzheng, deputy head of the international liaison department, will represent the Chinese side at the talks. This reflects considerable consideration on the part of the CPC for the DLP delegation.

In connection with the party leadership's visit to China following its working delegation's visit, the DLP is planning to formulate a specific plan before the working delegation's visit. However, since both Chairman Kim Chong-pil and Secretary General Hwang Myong-su wish to visit China, some coordination and adjustment will be necessary before coming up with a final plan.

Undersea Optical Cable To Be Built to China

SK3110074893 Seoul CHUNGANG ILBO in Korean 31 Oct 93 p 2

[Text] Taean, South Chungchong Province of the ROK and Qingdao, Shandong Province of China will be connected by an undersea optical cable with a capacity of approximately 7,500 telephone lines in December 1995.

On 30 October a final agreement was reached between Korea Telecom and the Chinese side on the landing points of the undersea optical cable connecting the ROK and China: Taean and Qingdao. Korea Telecom announced that "the agreement on the construction, maintenance, and repair of cable" for this project will be signed between the two countries during Wu Jichuan's, Chinese minister of posts and telecommunications, visit to the ROK scheduled from 23 to 30 November.

The construction of the 400 km-long ROK-PRC undersea optical cable will begin June 1994 and will be completed December 1995. The construction cost estimated to be 40 billion won will be divided equally between each side.

Burma

Agriculture Delegation Departs for South Korea

*BK3010154193 Rangoon Radio Burma in Burmese
1330 GMT 30 Oct 93*

[Text] A Myanmar [Burmese] delegation led by Agriculture Minister Lieutenant General Myint Aung left Yangon [Rangoon] by air at 0745 this morning to attend the 27th Conference of the UN Food and Agriculture Organization [FAO] in Rome, Italy.

The Agriculture Minister Lt. Gen. Myint Aung was accompanied by Lt. Gen. Maung Thint, minister of development of border areas and national races and second leader of the delegation; Colonel Kyaw Win, deputy commander of the No. 37 Light Infantry Division; Dr. Mya Maung, managing director of the Myanmar Agriculture Service; U Tin Htut Oo, deputy director of the Agricultural Planning Department; U Ye Myint Than, head of department; and Captain Hla Myo, aide-de-camp of Lt. Gen. Maung Thint.

The delegation was seen off at Yangon airport by Lt. Gen. Tin U, secretary-2 of the State Law and Order Restoration Council; Lt. Gen. Chit Swe, minister of forestry affairs; Lt. Gen. Aye Thaung, minister of labor; Brigadier General Thaung Myint, minister of social welfare, relief, and resettlement; U Tin Hlaing, deputy minister of agriculture; Brig. Gen. Than Tun, joint adjutant general; Mr. Jung Hwan Kim, ambassador of the Republic of Korea; officials and responsible personnel from the departments and enterprises under the ministries, and friends and relatives.

Before attending the FAO conference, the delegation will visit the ROK for five days at the invitation of Agriculture, Forestry and Fisheries Minister Ho Sin-haeng to inspect and observe agricultural activities, irrigation work, and agriculture-related factories and workshops.

It has been learned that other delegates—U Tin Maung Myint, director general of the Planning and Statistic Department of the Ministry of Livestock Breeding and Fisheries; Dr. Maung Mar, director of the Agricultural Planning Department of the Ministry of Agriculture; Dr. Kyaw Tint, professor of the Institute of Forestry of the Ministry of Forestry Affairs—who will also attend the FAO conference will leave Myanmar on 3 November.

Construction Minister Departs for Bangkok Forum

*BK2910151793 Rangoon Radio Burma in Burmese
1330 GMT 29 Oct 93*

[Text] Construction Minister U Khin Maung Yin left Yangon [Rangoon] by air this afternoon to attend a ministerial level conference on urban planning, sponsored by the Economic and Social Commission for Asia and the Pacific, to be held in Bangkok from 27 October to 2 November. The minister was seen off at the airport by Industry-2 Minister U Than Shwe, Finance and

Revenue Minister Brigadier General Win Tin, responsible personnel from departments under the Ministry of Construction, and friends and relatives.

82 'Terrorist Insurgents' Surrender in Sep

*BK3010161493 Rangoon Radio Burma in Burmese
1330 GMT 30 Oct 93*

[Text] Terrorist insurgents, who have accepted the genuine good will and activities carried out by the State Law and Order Restoration Council, have given up their armed struggle. They have been continuously returning to the legal fold with their arms and ammunition at various garrisons. A total of 27 terrorist insurgents—three in the Northern Military Command, four in the Northeast Military Command, 17 in the Southeast Military Command, and three in the Eastern Military Command—have returned to the legal fold from 24-30 September. A total of 82 terrorist insurgents have gained a correct view and returned to the legal fold in September. They were warmly welcomed at the garrisons by responsible personnel.

Cambodia

Khmer Rouge Spokesman Affirms Party Stance

*BK3010054193 (Clandestine) Voice of the Great
National Union Front of Cambodia in Cambodian
2330 GMT 29 Oct 93*

["Statement by the Party of Democratic Kampuchea Exposing the Legal and Fascist Coup d'Etat of the Communist Vietnamese and Western Allies To Maintain and Strengthen the State Authority of the Communist Vietnamese and To Vietnamize Cambodia and Make It Into a Second Kampuchea Kraom;" dated 29 October—read by announcer]

[Text] I. On 25-28 October Chea Sim was made assembly chairman. This is like automatically making him legal head of state. Hun Sen was made second prime minister. In this form, he is in control of 99 percent of the new government. Tie Banh was made national defense minister, that is, in charge of the army. Sar Kheng was named interior and security minister, that is, in charge of the police force. Who was behind this scheme and what is the purpose? What are the consequences of this scheme on our Cambodian nation and people?

II. Despite efforts to cover this up one way or another, the scheme was masterminded by the communist Vietnamese in cooperation with the Western allies. This scheme is in fact a legal and fascist coup d'etat to maintain and consolidate the military, police, and civilian state authority from top to bottom which the communist Vietnamese have set up since 1979.

This is a legal and fascist coup against the king, the new Constitution, national reconciliation and unity, independence, and peace in the Kingdom of Cambodia. Through this fascist coup, the communist Vietnamese and their

men control the assembly, the government, the administration, the Army, and the police from top to bottom. In other words, they are in control of everything with UN legitimization.

As for Prince Kromluong Norodom Ranariddh and the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC], they hold the positions of first prime minister, some 10 or 20 ministers, and some 50-60 people's representatives among the 230,000 persons who are in charge of the state machinery. In fact, they have no force and furthermore are in the iron grip of the state authority of the communist Vietnamese and allies. FUNCINPEC has been pressured into accepting and parading in this legal coup.

III. The communist Vietnamese have been waiting for such an arrangement for a long time, particularly since the time when they used hundreds of thousands of troops to invade Democratic Kampuchea on 25 December 1978 through the strategy of putting Vietnam, Laos, and Cambodia together as the communist Vietnamese's one country, one party, and one people. The Vietnamese have been trying to achieve this militarily for 13 years but have failed or have been unable to achieve it.

The Western allies are now cooperating with the Vietnamese because they have an ill-founded strategy aimed at destroying the Cambodian national forces. This has become a golden opportunity for the communist Vietnamese to achieve their strategy through political and diplomatic means and through the maneuvers of fascist democracy and fascist laws.

Through this legal and fascist coup, the communist Vietnamese aggressors in Cambodia have been legitimized as has the occupation of Cambodia by the communist Vietnamese. The communist Vietnamese have annexed Cambodia's territory, sea, tens of thousands of square kilometers of continental shelf, and some islands; this has also been legitimized. The communist Vietnamese have sent more than 300,000 of their nationals to annex Cambodia through a demographic war; this, too, has also been legitimized.

In sum:

1. The state authorities which the communist Vietnamese set up in 1979 were nearly finished in 1991. Now they have been consolidated and legitimized through the maneuvers of the UN Transitional Authority in Cambodia [UNTAC] and its allies, combined with the communist Vietnamese, particularly through the fascist coup of 25-28 October 1993.

2. Old and new communist Vietnamese forces in the form of Vietnamese nationals—over 3 million of them—are the instruments of the communist Vietnamese. They are everywhere in Cambodia. Parts of Cambodian territory have already been annexed by treaties and agreements. Everything the communist Vietnamese have been controlling for over 14 years has become reality and legal

through the legitimate and fascist coup to consolidate the state authority propped up by the communist Vietnamese.

All this is called the Vietnamization of Cambodia to fully make it into a second Kampuchea Kraom [former Cambodian territory now part of southern Vietnam] through the state authority of the communist Vietnamese; through the assembly; through the government; through the acting head of state, administrative structures, Army, and police; and through the actual control of Cambodian territory in accordance with a long list of agreements and treaties to annex Cambodia's land, sea, and islands through the settlement of over 3 million expansionist Vietnamese.

Along this path, Cambodia would become the second Kampuchea Kraom. The new legitimization is no different from the first Kampuchea Kraom, which French colonialism legitimized and allowed Vietnam to annex. This way, our nation and race will certainly perish. There is no point talking about independence, sovereignty, and territorial integrity, or building the Cambodian nation. All this would be completely meaningless. Our Cambodian nation and people are facing the most serious situation.

3. Faced with such a situation, the Party of Democratic Kampuchea [PDK] appeals to the entire Cambodian nation and people inside and outside the country and compatriots in Phnom Penh city to firmly rally national forces and people in order to thwart and prevent the legitimate and fascist coup of the communist Vietnamese and Western allies from advancing toward its goal.

The Cambodian nation and people do not need the military, police, and civilian state authority that the communist Vietnamese have propped up and consolidated through this new fascist coup. The state authority set up by the communist Vietnamese should be ended completely and definitively in accordance with the will of the Cambodian people, who voted in order to set up a government and a genuine national state authority structure—the Army, police, and civilian—from top to bottom.

4. The Cambodian nation and people want to follow King Norodom Sihanouk, father of the nation, in his role as leader to save and lead the entire Cambodian people to achieve the policy of reconciling and unifying the nation, rally all national forces, and set up a national state authority—military, police, and civilian—to solve our nation's large and small problems.

5. The PDK—who has actively contributed to the struggle against the communist Vietnamese aggressors and their lackeys for the past 14 years to safeguard the nation, people, and race—continues to persistently and unswervingly adhere to the stance and sacred duty of being responsible for the defense of the Cambodian nation, people, and race. It continues to adhere to the stance of maintaining firm unity with all national forces

around the king in order to achieve the latter's national reconciliation plan and in order to save and safeguard the nation and race.

[Dated] 29 October 1993

[Signed] The PDK

Radio Cites Sihanouk Birthday Message to Nation

BK0111040693 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 31 Oct 93

[Text] On the grand occasion of his majesty's birthday on 31 October, His Majesty King Norodom Sihanouk kindly issued a message to the nation and people, his majesty's children and grandchildren, in the Kingdom of Cambodia. The gist of this message is as follows:

I. As I have often said before, I would like to recall again now that the salvation of our nation, motherland, and people must be carried out by us alone. The only potion that can cure the most serious ailment of our Cambodia is national reconciliation, national unity, national conscience, national pride, and the determination to achieve our sacred national unification as our nation did in the matchless era of glorious Angkor and in the recent period of 1952-53 when it launched the royal crusade for Cambodia to enjoy full independence.

II. A big lesson we have drawn from the 1952-53 royal crusade is that this sacred national unification and determination may avoid war and bloodshed. The armed struggle to liberate the nation is very excellent and valuable. However, it would be more excellent to seize and bring full independence to the motherland through peaceful means.

III. There are three major problems that our nation must resolve.

A. The problem of the Khmer Rouge.

B. The problem of the territorial integrity and the 1953-69 land and maritime borders that are not respected by some neighboring countries.

C. The problem of rehabilitating and building the economy and people's livelihood, especially in the agricultural field, as these situations have deteriorated with each passing year.

IV. The method to resolve these serious problems is the sacred national unification of all Cambodians, all political parties, and all (?armed) units—male and female, young and old alike—around the throne and the king, along with national reconciliation and unity.

50 German Troops Withdraw at Close of Mission

LD0211104293 Hamburg DPA in German 1001 GMT 2 Nov 93

[Excerpt] Phnom Penh (DPA)—The first 50 Bundeswehr servicemen involved in the peace-keeping mission in Cambodia left the country this morning and flew home. The commander of the German contingent, Lieutenant Colonel Wolfgang Siebert, described the operation as "successful" as he saw the servicemen off at Phnom Penh military airport. The mission was overshadowed by the death of 26-year-old Sergeant Alexander Arndt, who is thought to have been shot by a policeman. German military medical staff have been based in Cambodia in Southeast Asia under UN command since November 1991. [passage omitted]

Indonesia

Alatas, Japanese Envoy Sign Loan Agreement

BK3010093593 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Oct 93

[Text] The Japanese Government has granted a U.S. \$1.3 billion soft loan to Indonesia for the 1993 fiscal year. The loan agreement was signed by Foreign Minister Ali Alatas and Japanese Ambassador to Indonesia Kimio Fujita in Jakarta today. The loan has been given in the framework of an aid package promised by the Japanese delegation at the second meeting of the Consultative Group on Indonesia in Paris last June.

A press release issued by the Foreign Affairs Department said the non-binding loan, with an annual interest of 2.6 percent and a 30-year repayment period, will be used to finance the building of schools, reforestation projects, drinking water projects, health promotion programs, and projects to renovate existing facilities. It is hoped that the aid package will help facilitate economic development programs in the country.

Government To Protest Malaysian Move on Island

BK2910120193 Jakarta ANTARA in English 1115 GMT 29 Oct 93

[Text] Jakarta, Oct 29 (OANA-ANTARA)—The Indonesian Government will send a diplomatic note protesting Malaysia's infringement of the agreed status quo over Sipadan island because the neighboring country has promoted the disputed island as one of its tourist resorts.

"This issue has happened quite frequently, and every-time it occurs, we always react to it and send a protest note to Kuala Lumpur," Foreign Minister Ali Alatas said after signing a loan statement with Japanese Ambassador to Indonesia Kimio Fujita here on Friday. Malaysia, which is launching Visit Malaysia Year 1994, has offered Sipadan island as an attractive tourist destination in a

booklet entitled "Visit Malaysia Year 1994: the traveler's guide to Malaysia's fascinating treasures." Foreword from Malaysian Minister of Culture, Arts, and Tourism Datuk Sabbarudfin Chik, was also printed in the booklet.

Minister Alatas, saying that he will first study the issue, stated that Indonesia will retain its stance on the status of the island.

The islands of Sipadan and Ligitan, which are being disputed by Indonesia and Malaysia, have come under the spotlight in the past three years following the deployment of Malaysia's navy patrol in the region.

On the formal talks between the Philippine Government and the Moro National Liberation Front (MNLF), he said that the meeting will decide when further talks to be held. Both parties need a series of talks to reach comprehensive solution, he said. "This issue cannot be resolved in a day," he said.

Malaysian Use of Isle Aids Smugglers

BK3110091193 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 31 Oct 93

[Text] The use of Sipadan island by the Malaysian private sector for tourism purposes has made it difficult for Indonesian authorities to arrest smugglers. Speaking in Samarinda, Indonesian customs officials added that this has indirectly encouraged smuggling activities in the northern waters of East Kalimantan. Smuggling activities are now rampant in the small islands located in the Indonesian territory. The Malaysian private sector's move has made it difficult for Indonesian authorities to arrest smugglers because when these smugglers are cornered, they always try to hide on the disputed Sipadan island. Several days ago, Indonesian Foreign Minister Ali Alatas said he would send a diplomatic note protesting Malaysia's infringement of a bilateral accord on the agreed status quo over Sipadan island.

Outcome of Suharto-Keating Talks Viewed

BK2910115793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 29 Oct 93

[Station commentary]

[Text] When we analyze the outcome of talks between President Suharto and Australian Prime Minister Paul Keating, we find that the two leaders understand the significance of boosting bilateral cooperation and share similar views on the benefits of the Asia Pacific Economic Cooperation [APEC]. The two leaders also agreed that APEC can serve as a useful multilateral forum for more balanced development in the Asia-Pacific region.

Through this multilateral forum, developing countries will be able to cope with economic pressures, especially from developed countries. This is possible because APEC is a group of 13 countries, namely the ASEAN countries, the United States, Canada, Japan, South

Korea, Australia, New Zealand, the PRC, Taiwan, and Hong Kong. As such, APEC consists of developed countries, newly industrialized countries, and developing countries. If APEC members can forge excellent cooperation among them, it is possible to turn this forum into a medium to reduce or even cope with the developed countries' continued pressures on developing ones.

At present, it is felt that developed countries always make the decisions in determining the flow of capital and technology. On the contrary, developing countries are always put in weak positions and find it very difficult to influence the global economic situation. For this reason, developing countries hope to channel their aspirations and protect their interests through APEC. For Indonesia, APEC can be turned into a useful forum for developing economic cooperation with both developed and developing countries in the Pacific, in view of the fact that this region has thus far recorded the most dynamic economic growth.

It is worth noting that more than 66 percent of Indonesia's industrial exports in 1991 alone were marketed in the Asia-Pacific countries, with an average increase of 22.9 percent annually. Besides, several APEC countries like Japan, South Korea, Taiwan, Hong Kong, and Singapore have relocated their industrial bases to several developing countries, including Indonesia.

Meanwhile, as chairman of the Nonaligned Movement, Indonesia also wants to use APEC as a forum to pave the way for constructive dialogue between developed and developing countries based on friendship, mutual interests and benefits as advocated by the 10th summit meeting of the Nonaligned Movement in Jakarta last year. This is especially true in view of the fact that APEC constitutes an open forum for regional cooperation in line with the position adopted by Indonesia, which does not want to see the establishment of trading blocs or exclusive economic zones, such as the North American Free Trade Agreement or the single European market.

Newspapers Comment on Visit

BK2910083593 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 29 Oct 93

[From the press review]

[Text] SUARA KARYA hopes that the Asia Pacific Economic Cooperation [APEC] will be able to serve as an alternative system to the current one-sided cooperation between developed and developing countries. In this connection, this daily also hopes the points of convergence reached during talks between President Suharto and Australian Prime Minister Paul Keating will create a positive preliminary climate in developing and giving substance to APEC in the future.

Meanwhile, BERITA BUANA views an important topic of the Suharto-Keating talks, namely, the two leaders' discussion of the importance of APEC in supporting economic development in the Asia-Pacific. However,

this daily points out that Paul Keating, who was accompanied on the visit by 22 Australian journalists, also wants to give a true picture of Indonesia to these journalists, who have generally adopted a negative attitude toward our country.

In addition to its similar views on APEC, ANGKATAN BERSENJATA also notes the two leaders' satisfaction over fast-growing bilateral ties after the Australian leader made his first visit to Jakarta 18 months ago.

Agreement on Satellite Management With Tonga

BK0211022893 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 30 Oct 93

[Text] Indonesia and Tonga have agreed to strengthen friendship and telecommunications cooperation as well as boost bilateral economic cooperation between Southeast Asia and the south Pacific. The agreement was reached between a delegation of Indonesian officials led by Inspector General of Posts and Telecommunications Zakariah Purawijaya and a delegation of Tonga officials led by Tongan Ambassador to Switzerland (Sein Kibe) at a meeting on telecommunications in Geneva 25-27 October.

A press release issued today by the Department of Tourism, Posts, and Telecommunications said the meeting had also reached an agreement on the management of the two countries' satellites through dialogue and coordinated work through the International Telecommunications Union. The agreement on the technical cooperation in the management of the satellites stipulates among other things that the two countries agree on the orbital slot for Indonesia's Palapa B satellite at 118 degree east longitude and the Tongan satellite [name indistinct] at 130, 134, or 138 degrees east longitude.

Laos

SRV President Le Duc Anh To Arrive 'Today'

BK0111061593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Nov 93

[Text] In response to an invitation of Nouhak Phoumsavan, president of Laos, Le Duc Anh, president of the Socialist Republic of Vietnam, will arrive in Laos today for an official friendship visit to the Lao People's Democratic Republic.

Nouhak, Le Duc Anh Banquet Speeches

BK0211095993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Nov 93

[Text] Yesterday evening, 1 October 1993, Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], and his wife hosted a banquet at the National Assembly Hall in Vientiane in honor of Le Duc Anh, president of the SRV, and his wife who arrived in Vientiane yesterday for an official friendship visit to the LPDR. Attending the banquet on the Lao side were

Saman Vi-gnaket, chairman of the National Assembly; Khamphoui Keoboulapha, deputy prime minister and chairman of the Planning and Cooperation Committee; Somsavat Lengsavat, minister of foreign affairs; Thongdam Chanthaphon, minister attached to the Presidential Office; Sompadit Volasan, minister of trade; Boun-guang Volachit, governor of Vientiane Municipality; and Khamphet Phengmeuang, ambassador extraordinary and plenipotentiary of the LPDR to the SRV. Also present were a number of ministers and deputy ministers. Attending on the Vietnamese side were Nguyen Manh Cam, minister of foreign affairs; Le Van Kiet, minister of commerce; Nguyen Viet Dung, minister attached to the Presidential Office; and Bui Van Thanh, ambassador extraordinary and plenipotentiary of the SRV to the LPDR.

On this occasion, LPDR President Nouhak Phoumsavan delivered a speech. He said:

[Begin Nouhak recording] The multiethnic Lao people and I are delighted and highly honored to welcome Comrade Le Duc Anh, president of the SRV, to the LPDR. I would like to take this glorious occasion to express our sincere thanks to Comrade President Le Duc Anh for conveying to the Lao people the profound friendship and intimate affection of the fraternal Vietnamese people. We see that amid the present change in the international situation, the visit by the comrade president is significant. It marks a milestone in expanding development in the relations of friendship, special solidarity, and all-around cooperation between the two countries, which are considered as one of various factors that determined the victories of the past revolutions in our two countries. They are also considered precious traditions and heritage that have been left for us by great President Ho Chi Minh.

Comrade President, comrades and friends: As close friends who have shared weal and woe for decades, we have closely followed each step of development in Vietnam. Our Lao people are delighted to see that the Vietnamese people are presently experiencing a new atmosphere—one of building their beloved country—and have won initial, significant achievements. We highly assess these achievements and maintain that they have resulted from the great efforts of the fraternal Vietnamese people who have always been loyal to the teachings of beloved Uncle Ho and promoted and expanded the glorious and elegant revolutionary tradition in the new stage to build their prosperous and happy country. Those precious achievements have proven the correct and efficient leadership and guidance of the Communist Party of Vietnam [CPV] and of the Vietnamese state under the new circumstances. The achievements have brought about stability in the political and social situation, a new trend of economic development, and a clear improvement in the people's living conditions. The role, status, and prestige of the SRV in this region and in the world have also been raised to a higher level.

The multiethnic Lao people sincerely wish the fraternal Vietnamese people new, still greater achievements in carrying out their comprehensive renovation cause to successfully fulfill the objectives set forth by the seventh CPV congress. We are convinced that the fraternal Vietnamese people can successfully develop the country in a firm and ever quicker step to contribute worthily to the common cause of the world's people for peace, national independence, democracy, and social progress as well as to a trend of peace, friendship, cooperation, and development in the Southeast Asian region.

Comrade President Le Duc Anh and beloved comrades, as you all know, the Lao people have now concentrated all their energies, intelligence, and capabilities on building and developing the country in accordance with the resolution of the Fifth Congress of the Lao People's Revolutionary Party [LPRP] and the socioeconomic development plan for the period from now to the year 2000, and have won a number of significant achievements. We admit that those achievements cannot be separated from the assistance given to us by various friendly countries and international organizations. We would like to avail ourselves of this glorious occasion to express sincere thanks to the party, state, and fraternal people of Vietnam for having provided our Lao party, state, and people with precious support and assistance. [applause] To free the country from the state of being underdeveloped, it is absolutely necessary to combine firmly the vital promotion and expansion of the national strength with the broadening of relations and cooperation with foreign countries.

The LPDR, having consistently adhered to a foreign policy of peace, independence, friendship, and cooperation with various countries, will further promote and expand the relations of friendship, special solidarity, and all-around cooperation with the SRV in conformity with the new circumstances and renovation policy of each country. We pledge to promote cooperation ever more fruitfully, to bring about actual benefits to the peoples of our two countries. At the same time, the LPDR will continue to enhance relations and cooperation with various friendly and neighboring countries as well as with other countries. We pledge to do our best to contribute to the movements of the nonaligned countries, the United Nations, and various international organizations of which the LPDR is a member or observer in order to establish peace, friendship, and cooperation for development.

In this atmosphere of intimate affection and friendship, I would like to invite all comrades here to drink a toast to the glorious success of Comrade President Le Duc Anh and his delegation in this visit to our country, to the achievements of the peoples of our two countries in implementing the comprehensive renovation cause, to the good health of Comrade General Secretary Do Muoi and Comrade Chairman Khamtai Siphandon, and to the good health of Comrade President Le Duc Anh and wife. [applause] [end recording]

Later, Le Duc Anh, president of the SRV, replied to this speech. He said:

[Begin Le Duc Anh recording, in Vietnamese fading into Lao translation] I am very pleased to have an opportunity to visit the beautiful country of the fraternal multiethnic Lao people and to see close friends and comrades who have all along shared weal and woe and together fought shoulder to shoulder for the independence, freedom, and development of each country. I am deeply touched by the fine words of Comrade Nouthak Phoumsavan toward our Vietnamese party, state, and people as well as the Laos-Vietnam friendship and special solidarity. With sincerity, I would like to express thanks to all comrade party and state leaders, and multiethnic people of Laos for the welcome filled with fraternal friendship and lofty sentiments accorded to us since we arrived in the land of a million elephants—the land of generous hospitality. On this occasion, I wish to bring to comrade party and state leaders and all people of Laos the wholehearted salutations and profound friendship from the party, state, and people of Vietnam.

Comrades and friends: During this visit to Laos, we are greatly impressed by the various great achievements won by the state and multiethnic people of Laos in carrying out the restructuring cause in all spheres of work in accordance with the spirit of the resolution of the fifth LPRP congress. The Vietnamese state and people consider these achievements as their own. I also sincerely wish the fraternal Lao comrades even greater success in persistently implementing the socioeconomic development strategy from now until the year 2000 to build Laos into a peaceful, independent, democratic, and prosperous country and to contribute worthily to the cause of peace and progress in this region and the rest of the world.

Comrades and friends, Laos is a close, fraternal country with Vietnam which has shared the same fate for centuries. The peoples of our two countries have shared weal and woe and fought shoulder to shoulder throughout the century of struggle to safeguard independence and freedom. The causes of founding and defense of the two nations of Vietnam and Laos have brought about the establishment of the special, pure relations which have later become a factor contributing to the common victory of the revolution in each country. We have always kept in mind the precious assistance and great support that the party, state, and multiethnic people of Laos have rendered to the Vietnamese people in carrying out the cause of building, developing, and defending their country. We are elated to note that following the continual pursuing of the said lofty and glorious traditions, the relations of friendship, special solidarity, and all-around cooperation between the two countries have been consolidated, improved, and developed with each passing day along the guiding path of enhancing the quality and efficiency and together enjoying benefits. The two peoples have also rendered wholehearted assistance to each other on the basis of the spirit of friendship, comradeship, and fraternity. The Vietnamese

people are determined to flourish and promote the relations between the two nations—Vietnam and Laos—and to make them prosper and last forever.

In this atmosphere filled with fraternal friendship and cordiality, I would like to invite comrades to drink a toast to the ever greater achievements of the multiethnic Lao people in the restructuring cause and to their success in implementing the socioeconomic development strategy from now to the year 2000, to the enhancement of the Vietnamese-Lao special friendship and all-around cooperation, to the good health of beloved and respected Comrade Chairman Khamtai Siphandon and Comrade General Secretary Do Muoi, to the good health of beloved and respected President Nouhak Phoumsavan, to the good health of other beloved and respected comrade party and state leaders of the LPDR, and to the good health of all comrades and friends here. [end recording]

Drug Suppression Seminar Concludes 29 Oct

BK3110135193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 31 Oct 93

[Text] After a week of meetings, a seminar on suppression and control of narcotics trafficking organized by the Lao National Committee for Control and Suppression of Narcotics Drugs [LNCCSND] and sponsored by the British Customs Department concluded in Vientiane on the afternoon of 29 October.

At the closing ceremony, Souban Salitthilat, chairman of the LNCCSND noted the Lao Government's policy on drug suppression, cooperation, and coordination among various organizations concerned such as the Lao Customs Department and national police, Interpol, and the British Customs Department. He also reviewed the Lao Government's policy in mobilizing the multiethnic people to grow substitute crops to replace poppy and to educate the people of all strata about the dangers of narcotics. At the same time, he also highly assessed the contributions of the British Customs Department in rendering cooperation and assistance to the Lao side to elevate the capabilities of Lao customs and police officers in tracking and investigating for drug trafficking, and in inspecting and interrogating drug traffickers.

At the closing ceremony, the LNCCSND chairman also presented certificates to 20 seminar delegates comprising customs and police officers of the border provinces and people's judiciary prosecutors. In addition, the British customs officers, (Allen Morey and Richard Tomseth), who lectured on drug suppression at the seminar, and (John Peter), British drug suppression coordinator in Southeast Asia stationed in Bangkok, also attended the closing ceremony.

Khamphoui Keoboulapha Report to Assembly

First Installment

*BK2810052993 Vientiane PASASON in Lao 9 Oct 93
p 2*

[First installment of "report" presented by Deputy Prime Minister Khamphoui Keoboulapha to the Second Ordinary Session of the Third National Assembly held in Vientiane on 27 September: "The Status of the Implementation of the 1992-93 Socioeconomic Development Plan and the Duties and Orientation of Tasks for the 1993-94 Fiscal Year"]

[Text] Respected delegates: This year is the first year for implementation of the 1993-2000 socioeconomic development plan. It can be said that the period for implementing this plan for this year has lasted only six or seven months. Nonetheless, thanks to the endeavors and initiatives made by all organizations at all levels and in all services as well as of by our cadres and people, we have managed to fulfill a number of important tasks, thus enabling our country to maintain its political security, economic stability, and social order. It is anticipated that our gross national production this year will increase by 6 percent—4.5 percent in the agricultural and forestry sector, 9.2 percent in the industrial sector, and 6.9 percent in the service sector. Generally speaking, if our agricultural production in some localities had not been adversely affected by natural calamities, it is certain that we would have been able to reach our overall production targets. It is predicted that rice production this year will reach 1.490 million metric tons, an equivalent of 93 percent of the anticipated production target of 1.6 million metric tons. A movement to build small irrigation facilities by villages and families has now become more extensive. The most evident outcome of this endeavor is the construction of many weirs and terraced rice fields by our multiethnic people in the northern provinces. Livestock raising has also increased 3 to 5 percent. In the past year, we have turned over the management and control of forestry work to local people and administrations, allowing them to implement the policy of distributing land and forests to villages and families, to expand the areas of national forest reserves and watershed forests, and to impose fines on and to send a number of timber poachers to the courts of law.

Rapid development has also been achieved in the industrial sector. We are very proud to say that our electricity production has increased by 17 percent and processing industry by 10 percent. We have conducted surveys to build many small- and medium-sized hydroelectric dams. At the same time, we have also extended electricity networks to remote localities in many provinces.

Investment in communications, transport, posts, and construction work has also increased compared to the previous year. Many highways and important roads have been developed to become all-season transport routes. The construction of the bridge across the Mekong River

is 80-percent complete. The survey of economic and technical data on the potentials of Highway 12 and Son La port has already been completed. Many projects to build roads to the countryside have been implemented and fulfilled; for example, the projects to build many roads in Hinboun District, the Phon Deua-Na Gnom road, the Meuang Kao-Meuang Heuang road, the Ban Noi-Ban Gno road, and many others. Postal work has also been improved. We have expanded the postal networks to all provinces and districts throughout the country. At present, long-distance radio contact can be made with all provinces and with about 90 percent of all districts in the country. We have begun the construction of the Nathong airfield in Sam Neua District and have completed survey and design work for the improvement and expansion of the Luang Prabang, Savannakhet, and Pakse airfields. The construction of a cement factory in Vangviang District has already begun.

Expansion in the trade sector has increased by approximately 10 percent compared to 1992. More shops and goods exchange units have been set up by people in villages in the countryside throughout the country, thereby more closely linking urban markets with those in the countryside. Prices of basic goods such as rice, meat, and medicine in markets in towns do not fluctuate too much, thus indicating the stability of our country's economy.

Foreign trade has also been considerably expanded, especially trade with neighboring countries. By the end of 1993, the export value is estimated to be about U.S. \$150 million. We are trying to maintain the balance of foreign trade at the same level as in the previous year and to vigorously promote production for export while making efforts to protect domestic production as well.

In the finance sector, efforts have been made to ensure the timely payment of salaries, the reimbursement of administrative expenses, and the payment of delayed debts which remained ambiguous for many years. Investment has also been made to build a number of finance foundations. At the same time, the national finance system has also been set up while the tax collection system has been improved. A number of new regulations and rules have been adopted with the aim of gradually transforming the management of finance work and budgets to conform to the new mechanisms.

Our banks have paid attention to readjusting their macro management and are now able to maintain the rate of inflation at a managed level. In the meantime, the rate of exchange between the kip and foreign currencies also remains stable while the buying power of the kip has been maintained at the same level as that of the previous year.

As for investment promotion, in the first half of this year 79 investment projects worth some U.S.\$78 million were approved. At present, a number of major and medium investment projects are in the process of being negotiated, and funds for investment are being sought.

In the education field, we have invested in improving formal education and vocational schools and universities. We have already completed the revival of the curriculum of our education at the primary level.

In the public health field, we have paid close attention to looking after the health of mothers and children by giving them inoculations against certain diseases. We have paid attention to expanding health networks to the countryside and to setting up regulations to maintain the quality of food and medicine at an acceptable level.

Improvements have also been made in information and cultural work. For example, we have put out new releases for distribution; paid attention to preserving the fine cultural heritage and traditions of our country and multiethnic people; and renovated temples, ruins, and historical places.

In the labor and social welfare sector, a correct policy has been implemented toward cadres, retired soldiers, and war invalids to improve their living conditions and to resolve their housing problems. Sufficient relief funds have also been provided to victims of natural calamities, such as fire and floods, and refugees repatriated from other countries as well as people relocated to new areas.

Second Installment

*BK2810054993 Vientiane PASASON in Lao 11 Oct 93
p 2*

[Second installment of "report" presented by Deputy Prime Minister Khamphoui Keoboulapha to the Second Ordinary Session of the Third National Assembly held in Vientiane on 27 September 1993: "The Status of the Implementation of the 1992-93 Socioeconomic Development Plan and the Duties and Orientation of Tasks for the 1993-94 Fiscal Year"]

[Text] Rural development has also been carried out by building more roads, irrigation facilities, hospitals, schools, small power plants, artesian wells, and other utilities aimed at raising the living standard of multiethnic rural people and gradually narrowing the gap between urban and rural inhabitants.

Beloved delegates, the aforementioned "Status of the Implementation of the 1993 Socioeconomic Development Plan" shows that in the past year the socioeconomic life of our country has made further progress. Our party, government, and multiethnic people have achieved important successes in the initial stage of the implementation of the policy of restructuring adopted at the Fifth Party Congress.

The above-mentioned successes have been attained thanks to the organizational leadership of the party Central Committee and party organizations at all levels, the initiatives in management made by our state, and the dedication and perseverance made by our people of all strata and multiethnic groups throughout the country. They are the achievements of the correct combination of

the two strategic tasks of safeguarding the new regime and carrying out socioeconomic development in our country. They have been attained by our people with a sense of mastership, self-reliance, and self-building and through the broadening of our relations with foreign countries. They are the outcome of the contributions, assistance, and support made by and our cooperation with friendly countries—far and near—throughout the world and by various international organizations and institutions.

On this occasion, I propose that this meeting hail our multiethnic people of all strata, cadres, state employees, workers, and combatants in the armed forces for having united as one in implementing the party's and state's policies and plans in all spheres of work, righteously contributing to the overall tasks of our nation.

I propose that this meeting express our sincere thanks to all friendly countries, international organizations, and institutions as well as to all nongovernmental organizations and foreign investors for having rendered great and invaluable contributions, assistance, and support to our tasks of national development.

Third Installment

*BK2810144593 Vientiane PASASON in Lao 12 Oct 93
p 2*

[Third installment of "report" presented by Deputy Prime Minister Khamphoui Keoboulapha to the Second Ordinary Session of the Third National Assembly held in Vientiane on 27 September 1993: "The Status of the Implementation of the 1992-93 Socioeconomic Development Plan and the Duties and Orientation of Tasks for the 1993-94 Fiscal Year"]

[Text] Beloved delegates: In the process of organizing the implementation of past socioeconomic development plans, we were still unable to keep the following shortcomings from cropping up:

Transformation of agricultural and forestry work from the natural and seminatural economy into the goods production economy remains slow. Destruction of forests in various forms remains prevalent in many provinces. The utilization of domestic raw materials in the processing and production of goods in industrial expansion has not yet been vigorously promoted. The management of various construction projects has not been effective, resulting in structures being built with poor quality and at high costs. The trading sector has not been able to regulate and systemize trading activities effectively. The promotion, control, and protection of domestic production have not yet been effectively instituted.

Our finance sector remains inactive in seeking revenue from domestic sources, relying mainly on assistance and loans from foreign countries. The management of revenue and expenditures remains poor, resulting in

instances of pilferage and extravagance. Banks remain passive in utilizing available capital sources to increase income.

We are still failing to direct foreign investment along the lines of the economic structure outlined in the development plan. We remain uncritical in studying and analyzing various projects. The most important thing is that we are still unable to resolve the problem of giving services and consideration to various proposed projects in a timely fashion.

In the education and cultural sector, raising the qualifications for school teachers and reviving the curricula of various educational levels have not been carried out in a timely manner. Understanding how people living in mountainous regions and ethnic people fit in with the goals of education remains very vague and low. The public health sector is failing to check the spread of various diseases and epidemics. Cholera broke out in many localities last year, killing many people. The information and cultural sector still lacks effective measures to halt the influx of decadent Western culture. The emergence of acts of social negativism in urban areas has become a problem we cannot neglect any longer. In addition, we should pay attention to ensuring adequate employment for all youths and implementing a labor protection policy.

Beloved delegates, we are entering the second year of the implementation of the socioeconomic development plans running to the year 2000 amidst numerous favorable domestic and international conditions.

The 1993-94 development plan will be guided along the orientation of the long-term strategic plan for the period from now until the year 2000. But we must clearly understand that the various achievements and remaining shortcomings mentioned earlier have been derived from the fact that our country's economy is developing in all aspects, that the new economic management mechanisms are being promoted and appreciated by all social sectors, that foreign investors are responding energetically to our policy on investment promotion, and that the stability and security of our country are firmly guaranteed. This is a most auspicious opportunity for our country to develop into a stronger and more progressive and advanced entity.

At the same time, we must be conscientiously aware that our immediate duties and tasks remain complicated and difficult. We must maintain a sense of alertness and hold aloft a sense of mastership, self-reliance, and self-building by combining our domestic potentials with those favorable ones from outside so as to bring growth and prosperity to our country.

The 1993-94 Socioeconomic Development Plan

The overall orientation and tasks of the plan are to concentrate all consolidated efforts on exploring and utilizing the potential of our natural resources with a sense of independence, mastership, self-reliance, and

self-building; to promote all economic sectors by encouraging foreign investors to contribute to expanding business production—for example, in the agricultural, forestry, and hydroelectric fields—in order to produce as many kinds of goods as possible; to put into practice the economic structure outlined at the sixth plenary session of the party Central Committee; to promote the domestic production of goods vigorously, especially such consumer goods as clothes and household supplies, so as to reduce imports; to resolve fundamentally the shortages of food supplies and grains by creating a surplus for future consumption; to link crop cultivation and the raising of livestock with the processing industry so as to produce goods to meet domestic demand and for export; to increase income for each family and raise its material living standard; to develop the cultural life of the people by improving the education and public health systems; and to preserve the cultural traditions of our nation and ethnic people.

Fourth Installment

BK2910101993 Vientiane PASASON in Lao 13 Oct 93
p 2

[Fourth installment of "report" presented by Deputy Prime Minister Khamphoui Keoboualapha to the Second Ordinary Session of the Third National Assembly held in Vientiane on 27 September: "The Status of the Implementation of the 1992-93 Socioeconomic Development Plan and the Duties and Orientation of Tasks for the 1993-94 Fiscal Year"]

[Text] The objectives of the 1993-94 development plan are as follows:

1. To ensure that the economy develops to the same degree as in the previous year: domestic social production to increase no less than 7 percent over the previous year; agricultural and forestry production by 5-6 percent, industrial and handicraft production by 10-12 percent, and services by 10-11 percent; average per capita income to increase by 4-4.5 percent over the previous year.

2. To try to limit the rate of inflation to 6-8 percent per year, to increase exports by 6-7 percent, to increase imports no more than 8 percent by trying to import only materials which promote domestic production and basic construction materials. Efforts must be made to increase cross-border trading and tourism.

3. To ensure that this growth rate is reached, the state is expected to invest 121.8 billion kips in basic infrastructure—an increase of 31.4 percent from the previous year. Of this investment, 31.0 billion kips are to come from domestic sources and 89.9 billion kips from foreign sources. At the same time, efforts must be made to mobilize investment to promote production by domestic economic sectors.

To fulfill the overall objectives and tasks, it will concentrate on the following areas:

1. Agriculture and forestry: In the 1993-94 development plan, the agriculture and forestry sector must strive to fulfill the following fundamental tasks:

—To vigorously promote the cultivation of crops and link this with the processing industry so as to produce goods for domestic consumption and export. Each province must be instructed to clearly designate certain areas for growing certain types of crops in accordance with the relative strengths and favorable conditions so as to create specialities for each area. Projects to plant crops on a commercial basis must be designed and committees at the provincial and central levels established to take charge of them.

—To grow food grains to meet domestic needs and to create surplus supplies, to strive to produce 1.65 million metric tons of paddy in the 1993-94 production year, to concentrate efforts in growing other crops on six plains in the central and southern regions which are not suitable for rice growing, to expand the acreage of irrigated land from 3,000 to 5,000 hectares, to continue urging people to build more small irrigation canals and weirs, and to encourage people residing in mountainous regions to earn their livelihoods on fixed land so as to halt destruction of forests and watershed areas.

—To promote livestock farming by individual families and local and foreign investors to meet local demands and for export.

—To continue expanding veterinary networks into the countryside and the grass-roots level, to introduce new stocks for livestock breeding, to apply new techniques in livestock production, and to grow livestock fodder on grazing land.

—To launch plant research projects throughout the country, to study certain types of fruit trees and cash crops which are in demand, and to link such research projects with production foundations, especially in areas where production is carried out.

—To reduce the amount of imported food supplies which can be produced locally.

Forestry: First of all, we must turn forests into continuing sources of income and guardians of the environment. Therefore, we must concentrate on the following tasks:

—Forest exploitation is driven primarily by the requirements for domestic timber consumption. The government must strictly regulate timber harvesting for export. In the 1993-94 fiscal year, timber harvests are limited to areas where hydroelectric dams, irrigation facilities, and roads are planned.

—Surveys must be conducted to clearly classify and define forest boundaries in each province for the purposes of forest conservation, timber harvests, and reforestation. While trying to halt slash-and-burn crop

cultivation, we must encourage farmers to grow perennial trees and trees for industrial purposes on their farms by acquiring tree saplings with the technical assistance of forestry services.

- A complete timber processing industry must be established along the line of simultaneous tree-planting, timber processing, and rural development. Efforts must be made to involve local inhabitants in planting trees and forest conservation campaigns. Sawmills that fail to implement these criteria must be closed and ordered to suspend operations. Timber exports are authorized immediately in Pakse, Nakai, KM-20, Viangthong, Paklai, Xieng Khouang, and Vientiane. Other localities can set up timber processing plants only after surveys to collect data and the planting of fast-growth trees are carried out. The government will consider whether individual localities meeting these conditions may engage in timber processing in the coming years.

Fifth Installment

BK2910102193 Vientiane PASASON in Lao 14 Oct 93
p 3

[Fifth and final installment of "report" by Deputy Prime Minister Khamphoui Keoboulapha to the Second Ordinary Session of the Third National Assembly held in Vientiane on 27 September: "The Status of the Implementation of the 1992-93 Socioeconomic Development Plan and the Duties and Orientation of Tasks for the 1993-94 Fiscal Year"]

[Text] The Ministry of Agriculture and Forestry must supply manpower for the surveys in these areas in order to simultaneously survey the natural forests and prepare for reforestation.

- Encourage the designation of land and forest areas for villagers by disseminating and implementing experiences from Sayaboury Province and implementing additional regulations for such work.
- Organize the management of reserve forests and conservational forests with stringent measures for their protection and renovation. Attentively carry out reforestation projects and forest protection tasks in Vientiane Municipality and other major cities.

Investment in agriculture and forestry has been estimated at 18.5 billion kips, representing 15.2 percent of total state investment. The estimated total value of agricultural and forest products will increase by 5 to 6 percent compared to the previous year.

2. Industry and Handicrafts:

- Actively promote small-scale industries and handicraft, such as agricultural and forestry processing industries, and industries producing consumer goods with the use of domestic resources in order to reduce unnecessary imports. These include local foodstuffs,

textiles, clothing, cooking oil, sugar, desserts, home accessories, construction materials, and other items.

- Continue to promote the implementation of projects already approved, such as in the electricity and mining industries and the establishment of a task force for implementing rural electrification projects.
- Establish plans for new industrial development zones, such as in the central areas. Quickly survey possible locations of various minerals in order to attract foreign investors.
- Set production value targets in industry and handicrafts for 1993-94 which are 10 to 12 percent higher than in the previous year.

In 1993-94, the state will invest 23.6 billion kips in industry and handicrafts, which is 19.4 percent of total state investment. Basically, the state will energetically attract foreign businessmen to invest in medium- and large-scale industries.

3. Communications, Transportation, Postal Services, and Construction:

- Pay attention to the routes on mountains and national highways; continue improving routes to the sea in the east, such as Highways 8, 9, and 12, and routes linking neighboring countries; upgrade major provincial internal roads to ensure transportation in both seasons; continue construction of bridges across the Mekong River and other bridges already planned; and study plans to construct more bridges across the Mekong River, such as in Pakse District, Champassak Province.
- Attentively improve the work of repairing roads by means of setting clear and definite lines of responsibility between the central and regional administrations and by collecting additional public contributions.
- Upgrade land, water, air, and marine transportation to ensure the increase of transportation volume by 10 to 12 percent per annum; improve and manage civil aviation to a new quality to correspond with foreign investment.
- Expand the telecommunications network through various forms of investment to meet the gradually increasing demand in development projects.
- Systematically manage construction projects, improve construction enterprises in the country aimed at reducing the number of sub-standard construction units. Improve state architectural institutes, procedures, and standards of construction designs aimed at reducing the costs of projects while maintaining good quality.
- Continue conducting city planning surveys in the remaining areas such as the central intensive zones

and the municipal areas of major provinces. Attentively and systematically manage construction projects in the areas city planners have already targeted, such as in Vientiane Municipality.

—To ensure efficiency in approaching these goals, the government will invest 57.6 billion kips in communications, or 47.3 percent of total state investment.

Philippines

Talks Tackle MNLF Forces Joining Regular Army

BK0111035693 Manila PHILIPPINE DAILY INQUIRER in English 28 Oct 93 pp 1, 9

[Text] Jakarta—Peace negotiators for the Philippine government and the Moro National Liberation Front [MNLF] yesterday formed a working group to study how the Moro insurgents could be integrated in the country's regular armed forces. Three other working groups were discussing provisions in the 1976 Tripoli Agreement on education, administrative system, and economic and financial system.

The two panels headed by former Ambassador Manuel Yan and MNLF Chairman Nur Misuari have agreed to tackle eight of 24 points culled from the Tripoli pact. Aside from the five, the other items are representation and participation in the central government, legislative assembly and executive council, and mines and mineral resources.

"In general, I'm quite positive a settlement will be reached," Wiryono Sastro Handoyo, director general for political affairs of Indonesia's foreign ministry, told a news briefing last night. Wiryono added that the two sides agreed to give priority to the eight items because these have the "best chances for achieving an understanding."

The Military Advisory Group, composed of three government representatives and five MNLF members, began discussions in the afternoon at the Hotel Indonesia on how to implement the provisions in the Tripoli pact on national defense and regional security forces.

All the eight provisions have been incorporated in Republic Act 6734, or the organic act creating the Autonomous Region in Muslim Mindanao (ARMM). But the MNLF does not recognize the four-province ARMM, saying the Tripoli Agreement calls for the grant of autonomy in 13 provinces and nine cities in Mindanao and Palawan.

On the defense and security issues, the question is whether to enlist the MNLF's Bangsamoro Armed Forces in the Armed Forces of the Philippines as a unit or as individuals, sources said. The Philippine government requires that those who join the Army and police must be at least graduates of high school and had two years in college, respectively.

The Tripoli Act provides under Section 2 of Article 3 that "national defense affairs shall be the concern of the Central Authority provided that the arrangements for the joining of the forces of the MNLF with the Philippine Armed Forces be discussed later" and under Section 8, that "special regional security forces are to be set up in the area of the autonomy...the relationship between these forces and the Central security forces shall be fixed later."

Both panels said the atmosphere of the talks remained cordial.

Misuari said Yan is "a very gracious gentleman. There is no raising of voices and there was handshaking of course."

He added: "I am optimistic of the peace talks here, but if they fail, the war will come, whether you like it or not. I don't want the war in the South, but if peace is not possible, then I don't know what will happen because the victims will be our innocent people."

"There's nothing contentious (during the talks)," said Batangas Rep. Eduardo Ermita, vice chairman of the government panel. "We are just airing our views on how these provisions are interpreted by both sides."

"This is being steamrolled by true love for peace," Misuari said.

Both Yan and Misuari said they were satisfied with the pace of the negotiations. The duration of the talks is still open-ended, although both have said they would not leave this city until they have reached an agreement. The Indonesian government has booked the \$800-a-night suite where the talks are being held until 8 November.

On Monday, Misuari sought the creation of a provisional government in Southern Philippines. But this controversial issue will be discussed after the two panels are done with the initial eight-point agenda.

Misuari said: "Our position is very, very clear that this (ARMM) now existing in Mindanao is a unilateral creation of the Philippine government and it was done in defiance of our objection, formal and vigorous. (that it would) undermine the integrity of the Tripoli Agreement. What (the Philippine government has) done is to create an artificial autonomy just to dilute public opinion. What we want is for the (Philippine government) to adhere to the letter and spirit of the Tripoli Agreement which says that a provisional government be established in order to carry out certain functions, among which would be the preparation after a certain period of time for the holding of a legislative assembly in the South."

Thailand

Workers in Libya Face 'Mass Lay-Off'

BK0211020593 Bangkok THE NATION in English
2 Nov 93 p A2

[Text] Thousands of Thai workers in Libya have been threatened with a mass lay-off following widespread reports that they are involved in constructing chemical weapons plants, a senior official said yesterday.

Deputy Labour Minister Phaithun Kaeothong declined to say whether the lay-off threat was motivated by recent crackdowns by Thai authorities on certain job agencies which had sent Thai workers to Libya.

Phaithun said he had been informed by the Athens-based Thai labour attache that a Korean construction company was planning to lay off its Thai workers following pressure from Tripoli.

The company is involved in a major canal-excavation project which hired 5,500 workers from Thailand, according to Phaithun.

"I think Libya was upset by reports in Thailand linking that country to the secret production of dangerous weapons," Phaithun said. He added that he would raise the issue at the weekly Cabinet meeting today.

The Labour Ministry has sent high-ranking representatives to Tripoli to find more information and negotiate with the Libyan authorities.

Another high-level source in the Labour Ministry confirmed that Libya was not happy with the recent developments in Thailand. The Thai authorities have closed one job recruitment agency and put two other agencies under investigation for having allegedly sent Thai workers to build suspected weapon production plants.

The source said the Thai representatives sent to Libya must succeed in their talks as otherwise all 25,000 Thais in that country might lose their jobs.

Foreign Minister on U.S. Position

BK0211021193 Bangkok THE NATION in English
2 Nov 93 p A4

[Text] Foreign Minister Prasong Sunsiri said yesterday the United States was satisfied with the Thai government's crackdown on labour agencies which sent Thai workers to work at suspected Libyan nuclear or chemical war weapons plants.

Prasong said the US ambassador to Thailand had expressed to him his satisfaction with the Interior Ministry's success in cracking down on three allegedly illegal labour agencies which US officials had identified as having sent Thai workers to work in the suspected weapons plants in Libya. The three labour agencies were the SCP Suppachok Co, the W&M Co and the Handle

Group Co. The W&M Company has been closed and the other two agencies are under investigation by police.

Prasong added that the Thai workers who had worked on what they thought were underground bomb shelters for the Libyan government said they did not know that they were doing anything wrong.

"The government, however, could not forbid Thai workers to work in Libyan war weapons plants. But the Foreign Ministry has warned them not to work there because they would be at high risk of danger provided the US attacks the weapons plants," said the minister.

Prasong added the US previously was dissatisfied with the former government, which he said failed to respond to warnings. The crackdown on the three illegal labour agencies came after an official of the US informed the government that around 200 Thai workers have allegedly worked in Libyan chemical weapons plants in Tripoli. The US official, moreover, on Sept 1 urged the Thai government to evacuate all Thai workers who were employed in Libyan war weapons plant to Thailand and forbid Thai workers from going to work in Libya.

Commerce Official Leaves for Shanghai Talks

BK3110092193 Bangkok Radio Thailand Network in
Thai 0000 GMT 31 Oct 93

[Text] Deputy Commerce Minister Churin Laksanawisit left for Shanghai, PRC last night. He told reporters before his departure that during the visit he will invite China to enter into a joint venture in Thailand to produce a rubber product for use in tire manufacturing. He will also discuss the sale of fourth and fifth grade rubber to China with PRC officials. The deputy commerce minister said that the probability of concluding the rubber sale and signing the rubber plant joint venture agreement with the Thai private sector is good. He will return to Bangkok on 2 November.

Prasong Reaffirms Policy on Cambodia

BK0111133393 Bangkok Radio Thailand Network in
Thai 0530 GMT 1 Nov 93

[Text] Speaking to reporters at Government House this morning, Foreign Minister Squadron Leader Prasong Sunsiri said the Thai Government's position on the newly established cabinet of the Cambodian Government is clear. He noted that Thailand recognizes the elected government of Cambodia and emphasized a policy of non-interference in the internal problems there. He said he firmly believed that Cambodia's foreign policy toward neighboring countries will remain unchanged because the Cambodian foreign minister has retained his post.

He also said the elected Cambodian Government, formed by two major parties, would make efforts to achieve national reconciliation. Its policy toward the Khmer Rouge is, however, still ambiguous. The fighting

may continue and have an impact on Thailand. Hopefully, the new Cambodian Government will be able to resolve this problem. Moreover, the Thai authorities along the Thai-Cambodian border know the government's policy and can cope with any problem that may arise.

Touching on the presence of Thai workers in Libya, the foreign minister said that the U.S. ambassador stated that the United States is satisfied with Thailand's policy on this issue. In particular, the Interior Ministry has imposed strict measures for controlling the job placement agencies that have sent Thais to work in weapons factories in Libya. The government has warned Thai workers not to work in places that risk being attacked should war break out, because it cannot prevent them from working abroad.

Article Compares APEC to 'Trojan Horse'

BK0211023593 Bangkok THE NATION in English 2 Nov 93 p A6

[Commentary by Chirawat Na Thalang]

[Text] In the classic Greek mythology, Iliad, residents of Troy wake up one morning to see a gigantic wooden horse outside their beloved city. Thinking that it is a gift from God, they roll the wooden horse into their impregnable city walls and start worshipping it. But late in the evening, enemy soldiers hiding inside the Trojan horse sneak out and capture Troy.

For all the expected prospects, the Asia-Pacific Economic Cooperation (Apec) looks like a rerun of this tragic analogy. Over the past four years, the smaller economies, including Thailand, have joined Apec with a belief that the grouping would be an ideal consultative forum for them to exchange their views on economic outlook, trade and investment vis-a-vis an equal footing with their developed partners.

The Association of Southeast Asian Nations (Asean) did not want a structured Apec which might overshadow Asean or become an alternative to the General Agreement on Tariffs and Trade (GATT). Asean had a legitimate fear that if Apec should become a trade negotiating forum, it would be left out with little bargaining power in the face of the superpowers.

Yet as the schedule of the 5th Apec ministerial meeting in Seattle draws near, Thai officials are worried that Prime Minister Chuan Likhai might be trapped into becoming one of the co-founders of the biggest and latest new economic bloc, designed to rival GATT, the multilateral trade organization which small economies like Thailand consider to be their last defensive resorts.

Dr Narongchai Akkharaseni, a Thai representative in the "Eminent Persons Group", comprising independent "wise men", assigned to advise on the future of Apec, has stressed that the 15-member regional grouping is not

going to become a trading bloc but a community of free-trading nations. But, Asean's fears are well-founded.

The recently-published report of the Eminent Persons Group has recommended that Apec members adopt an ultimate goal of free trade in the region and the timetable and strategy to turn that into a reality between now and 1996.

Asean has insisted all along that Apec should remain as a loose, consultative body. US President Bill Clinton and Australian Prime Minister Paul Keating however, share the ambitious objective to use the Apec forum as an insurance against the failure to secure the Uruguay Round, which is facing its final deadline on December 15.

For Clinton, Apec would improve the US status at the trade bargaining session against its chief rival, the European Community. For Keating, his worst fear is to see the globe breaking into different trading blocs, with Australia being cut out as a Western enclave in the South Pacific.

Thailand has been uneasy with the drastic changes in the international scene. Deputy Prime Minister Suphachai Phanitchaphak has stressed that Thailand would oppose any attempts to create a new trade negotiating body because GATT should be the only supreme body to govern the world trade. He is speaking from Thailand's bitter experience in dealing bilaterally with the major economies in various trade disputes.

The attempt to set up a "new court" means Thailand would be subject to additional rules and regulations. Says a Thai official keen on international trade: "Then how many standards and regulations must Thailand have to adhere to all at once."

On the surface, Apec has produced very little substantive activity. Labelled as a forum to promote trade and investment cooperation in the Asia-Pacific, Apec initially did not receive any international recognition it deserved for failing to come up with a clear definition on how the "Apec cooperation" would be.

Critics started to be skeptical and merely described Apec as a "rhetorical conclave", where the ministers could float their initiatives, but none of them ever thought seriously on how to implement them in real terms.

Thai officials, however, argued that Apec did not grow out of "smugness", but was strategically shaped by Australia and the United States which are well-positioned to profit from the Asian growth. The idea to create the biggest free trade community throughout the Asia-Pacific region took roots ever since the 1980's.

Asean initially felt reluctant to join the Apec conference, for it feared the new regional grouping would dilute its identity. Their members were led into becoming

founders of Apec at its launch in Canberra in 1989 after they were convinced that Asean would be a core member of Apec.

At that time, Washington and Canberra did not see eye-to-eye on Apec. The Australian government under Bob Hawke, initially, even left the US off the list of the Apec members, while the then President (George) Bush's White House remained passive in the Asia-Pacific.

Asean was fairly convinced that it would be able to steer the Apec course by coming up with three principles to avoid heading Apec towards a trading bloc:

Apec should not be institutionalized as the Asean secretariat should play a central role in setting the Asia-Pacific group's agenda. Apec should not become a protectionist cartel. Most importantly, Apec should not become a trade negotiating forum or function beyond the Gatt framework.

A year after Apec was created, Australia mooted a proposal to fit a number of work projects within Apec. At first, Asean realized that the tighter cooperation would eventually lead to the institutionalization of Apec. Yet it decided to take part in pushing the Apec work programmes ahead because, for the least, the six-nation association would be able to delay the pace of the cooperation, whenever it found the speed of the programmes went too fast.

Unlike the European Community or North American Free Trade Agreement, members of Apec could live comfortably within the group, for they did not have to adjust themselves as did elsewhere. While the international community intensively debated the formation of the Single European Market and the North American Free Trade Agreement, Apec smoothly collected its members from 12 in 1989 to 15 in 1991.

Accounting for almost 60 per cent of the world gross domestic product and about 40 per cent of its internal trade Apec consists of 15 economies: Asean Six, the three Chinas, the United States, Canada, Australia, New Zealand, South Korea and Japan.

Last year, Apec was institutionalised at the 4th ministerial meeting in Bangkok when the members decided to create the Apec Secretariat in Singapore. The Bangkok Declaration said the secretariat would act as "a support mechanism to facilitate and coordinate Apec activities, provide logistical and technical services as well as administer Apec financial affairs".

Thai officials, however, viewed the establishment of the Apec secretariat as a way to structure the Apec cooperation into a formal body. "With the secretariat office and its funding, Apec is no longer a loose consultative forum," he said.

The Apec ministerial meeting also assigned a group of 11 independent wise men to draft a vision for Apec in the year 2000.

Fred Bergsten, former treasury official who is close to the US administration, represented Washington. Tokyo was represented by Ippei Yamazawa, a well-known professor from the Hitotsubashi University—whose works included the Ministry of International Trade and Industry's report on how to upgrade the industries in Asean. Neville Wran, the former politician, represents Australia.

The Trojan Horse is about to come.

From a virtually unknown acronym, Apec has suddenly gained its international momentum when Clinton announced, in July in Tokyo, to host the Apec leaders' meeting at Seattle in November this year. Clinton would like to use Apec as a milestone in his foreign trade and economic policy at a time when Europe is intensifying its reunion and the US defence presence becomes less relevant in the Asia-Pacific.

Keating, meanwhile, wants to work as a partner with Clinton to build an institutional framework, rather than limiting its role as a minor ally in the Cold War.

In March, US trade officials proposed at the Williamsburg meeting "Apec Trade and Investment Framework", Washington's proposal on how to shape Apec. The US officials said the agreement would strengthen trade and investment in the region for it would cover issues such as market driven cooperation, the Apec conference on trade and investment as well as a work programme to eliminate trade-related impediments.

The report from the Eminent Persons Group also backed the US vision. The draft proposal for the future of Apec visualized Apec as a free trade area with its own trade and investment regulations.

Some Asean officials, however, viewed the drafted framework as a prelude towards the protectionist cartel. Apart from discriminating against the non-Apec countries, the Apec framework also included a creation of its separate trade dispute settlement committee, challenging the multilateral trade settlement body in Geneva.

"The weaknesses of existing Gatt-based procedures for dispute settlement are both a source of frustration in attempting to resolve trade conflicts and one of the reasons behind a recent tendency toward bilateral and unilateral alternatives. These Gatt procedures are subject to excessive delays and are not effectively binding.

"If the Uruguay Round fails to adopt these proposals, however, Apec could do so at the regional level," the paper from the Eminent Persons Group said.

The creation of a free trade area means an effort to "level the playing field" among the member countries. "The Gatt provides a breathing space for the developing nations, but what about Apec? What does it really mean when the US officials said that Apec might go beyond the Gatt framework?" the official asked.

Before the Honolulu meeting of Apec senior officials in September, Asean had agreed to reject the US proposal to structure Apec, and not to come into any binding commitment at Seattle.

But as it has turned out, Asean has failed to form a forceful comment against the ambitious American vision. Singapore and Brunei have shown no objection to the US vision, for they will have nothing to lose in the creation of a new free trade area.

After a strong lobbying session from senior US officials, the Philippines has recently toned down its opposition, for Manila still wants to keep its diplomatic ties close to its long-time ally, the United States.

Thailand, Malaysia and Indonesia have been left out in the cold. They are desperately objecting to a move to structure Apec.

Because of the disunity, the official who asked not to be named, said that "What we have opposed is no longer the Asean comment, but the national comment from individual Asean country." In other words, the Asean consensus in Apec has already been diluted.

The Trojan Horse—through the free trade proposal—is turning up to haunt Asean. However, given a variety of economic developments in each Asia-Pacific countries, the United States would have to conduct a painstaking effort to push forward the implementation of the free-trade agreement.

The Trojan Horse does not only create a feeling of suspicion among the Asean nations of the United States, but it also fails to ensure that the US would be the best beneficiary from its plan to create the exclusive free-trade area.

At the end of the day, Washington might be surprised to find that the soldiers inside its Trojan horse are not Americans but its arch economic rival the Japanese.

Being the biggest investor with the most extensive network in the Asian-Pacific region, the Japanese are in the best position to gain from the advent of the new economic zone. Once the Asia-Pacific countries come up with an equal level playing field, Japan will be able to move its chip on the investment chessboard freely throughout the region.

Editorial Calls For Economic Quadrangle Plan

BK3110124193 Bangkok THAI RAT in Thai 30 Oct 93 p 3

[Editorial: "Economic Quadrangle"]

[Text] There have been discussions about the "economic quadrangle," or development of a new economic zone at the common borders of Thailand, Laos, Burma, and China, the area called the Golden Triangle. No concrete

action, however, has been taken following the discussions, perhaps because of the slow bureaucratic system or possibly fear.

Last Thursday, Prime Minister Chuan Likphai presided over a meeting organized by the National Economic and Social Development Board and attended by concerned cabinet ministers to discuss the matter. It was a positive development. Yet, no concrete decision was made, and the issue remains at the talking point.

The concept of the economic quadrangle was conceived at the Bangkok meeting attended by officials from Thailand, Laos, Burma, and China in May. Then, a followup meeting hosted by the Asian Development Bank was held in Manila during which agreements in principle were reached on establishing a new economic zone for trade, transportation, and tourism cooperation among the four countries.

Thailand wants to be the center for economic, social, cultural, energy, and tourism cooperation among the concerned countries, which will be realized through expanded land, sea, and air transportation and communications facilities. The cooperation could also be possibly extended to cover two other neighboring countries—Cambodia and Vietnam.

One project involves the construction of five roads linking the six countries: 1) a road from Aranyaprathet to Phnom Penh and Ho Chi Minh City; 2) a road from Chiang Rai to Kentung in Burma and Jinghong in China; 3) a road from Chiang Khong in Thailand to Bokeo and Luang Namtha in Laos and to Jinghong in Xishuangbanna in China; 4) a road from Nakhon Phanom in Thailand to Thakhek in Laos and to Vinh Province in Vietnam; and 5) a road from Mukdahan of Thailand to Savannakhet in Laos and to Danang in Vietnam. There is also a plan to expand railroad links from Nong Khai to Vientiane and Jinghong, from Phrae and Phayao to Kentung and Jinghong, and from Aranyaprathet to Ho Chi Minh City.

Unfortunately, all these projects are still on paper. No concrete move has been made apart from the talks, despite the fact that all countries endorsed the program wholeheartedly. China and Thailand are more likely to be in a position to implement the project. The Thai Government should, therefore, try to formulate a concrete plan within a definite timeframe, instead of just holding discussions with no subsequent action.

Vietnam

NHAN DAN Views President's Visit to Laos

BK0111063793 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 31 Oct 93

[Text] President of the State Le Duc Anh begins his official friendship visit to the Lao People's Democratic Republic [LPDR] today, 11 November, at the invitation

of LPDR President Nouthak Phoumsavan. On this occasion, in today's issue, the paper NHAN DAN carries an editorial entitled: "Constantly Strengthen the Special Vietnam-Laos Relations." The editorial emphatically points out:

Stemmed from their long-standing traditions of solidarity, the Vietnamese and Lao peoples have always supported and assisted one another in the struggle against the common enemies for the sake of each country's independence, freedom, and prosperity. For more than 10 centuries now, Vietnam and Laos have maintained pure and lasting relations thanks to the painstaking efforts of our two parties, states, and peoples. Realities prove that changes for the better in each country's revolution and the two peoples' achievements are closely associated with the steady development of these great friendly ties.

As far as the present stage is concerned, the two sides assert their determination to continue to strengthen their special solidarity and comprehensive cooperation. At the same time, they will work together in perfecting the contents and forms of bilateral cooperation to achieve higher quality and more practical results based on each country's capabilities and the principles of respect for each country's independence, sovereignty, equality, and mutual benefit and in the spirit of comradeship and brotherhood. As always, the two sides stress the great, important significance of their friendship and comprehensive cooperation and the need to make the two peoples realize and always foster those good relations.

We are convinced that President Le Duc Anh's visit to the LPDR will be a new contribution to the constant efforts to strengthen and develop the special ties between Vietnam and Laos. We would like to take this occasion to express our sincere gratitude to the Lao party, state, and people for the valuable support and assistance they have given to the Vietnamese Revolution both in the past and at present.

Control, Inspection Delegation Visits Laos

*BK2910153293 Hanoi VNA in English 1335 GMT
29 Oct 93*

[Text] Hanoi VNA Oct. 29—A group of specialists of the Vietnam Communist Party Central Committee's Control Commission and State Inspection Committee paid a two-week working visit to Laos from Oct. 7.

The Vietnamese specialists were received by Mr Maichantan Sengmani, Politburo Member of the Lao People's Revolutionary Party Central Committee [CC] and chairman of the Control Commission of the Lao party and state. They had a working session with Mrs. Davon Vongsak, alternate member of the Lao party CC and permanent vice chairwoman of the Control Commission. The two sides informed each other of their countries' situation and the work of party building, and exchanged experience in inspection, control and other activities.

Germany Decides To Increase Aid Contribution

*BK2910154793 Hanoi VNA in English 1322 GMT
29 Oct 93*

[Text] Hanoi VNA Oct 29—Germany will increase financial aid to Vietnam for this year by DM 41 million and will add DM 22 million to technical aid.

This and other steps to assist Vietnam in economic reforms were the result of talks in Hanoi from October 25-27 between a Vietnamese Government delegation led by Vo Hong Phuc, vice-chairman of the State Planning Committee, and a German Government delegation led by Dr. Wolf Preuss, head of the Asia Department of the Ministry for Cooperation and Economic Development.

On this occasion, German Ambassador Klaus Christian Kraemer yesterday held a reception.

Speaking at this function, Vice Chairman Vo Hong Phuc hailed Germany's commitment to continue support Vietnam in its renovation process, and assist and cooperate with Vietnam in transport and communications, forestry, water conservancy, environment and public health.

The German Government delegation is touring a number of localities in central and south Vietnam where Germany-assisted projects are under way.

Le Mai Discusses Potential Embassy in Brazil

*BK3010091693 Hanoi Voice of Vietnam in English
1000 GMT 29 Oct 93*

[Text] Vietnam may open an embassy in Brazil to serve all of south America. This was discussed by Vietnamese Deputy Foreign Minister Le Mai in Brazil last week with local officials.

Premier Opens Campaign Against Polio, Tetanus

*BK3110085593 Hanoi VNA in English 0723 GMT
31 Oct 93*

[Text] Hanoi VNA Oct.31—The prime minister has instructed to launch an anti-polio and tetanus campaign for children on the occasion of the National Immunisation Days (NID).

This year, NID will be organized in two phases: Phase One from Nov. 13-15 and Phase Two from Dec. 18-20. In both phases, about 10 million children under five years old nationwide will benefit from the programme which is aimed to eradicate the two diseases by 1995.

The total budget for this year's NID is estimated at 56 billion dong.

The instruction hailed the achievements made in the expanded immunisation programme over the past eight years since 1985, which helped reduce remarkably the mortality rate among under five children suffered the six child killers, acely polio, tetanus, diphtheria, measles, whooping cough and tuberculosis.

Moreover, the instruction noted, that every year, Vietnam saw hundreds of new borns suffering from tetanus and 600 others from polio.

The prime minister instructed all provincial and municipal people's committees to supervise the local medical services and concerned offices to ensure that all children under five should be vaccinated against polio and all pregnant women and women in productive age immunized against tetanus.

Tran Duc Luong Visits Quang Ngai Province

BK3010150793 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 29 Oct 93

[Text] A government work team led by Deputy Prime Minister Tran Duc Luong recently held a working visit with leaders of the Quang Ngai Province on efforts to overcome natural calamities and various socioeconomic issues.

The deputy prime minister praised the efforts of the party organization, administration and people of the province in overcoming difficulties caused by natural calamities. Of note is that the administration at all levels has provided timely guidance for drought control efforts to save rice fields and has given prompt relief assistance to starving families.

The deputy prime minister urged that as an immediate measure, Quang Ngai Province should provide seeds, insecticide, and fertilizer to peasants so they can grow their winter-spring crop on schedule. He said it should also give priority to providing loans so peasants can buy seeds and material and to promoting mutual assistance among cooperatives, peasants, and localities in production and in overcoming the consequences of natural calamities.

The government agreed to reschedule debt payment for peasants in areas affected by natural calamities so that they can ensure production.

Khanh Hoa Prepares for National Party Conference

BK0211104993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 Oct 93

[Text] The Khanh Hoa party committee recently held a meeting with the leading cadres of the subordinate localities and military units in the province to solicit contributions for the draft political report for the upcoming party mid-term national conference.

The representatives all supported the correct evaluation of the report on the current situation of the country and the review of all successes and drawbacks during the implementation of the open-door and renovation policies. Many representatives considered political stability to be the major stimulus for the socioeconomic development.

The national economy, however, still developed at a slow pace, mainly because the appropriate efforts have not been exerted in developing aquatic and forestry industries. Industrialization of agriculture has not been properly attended to, especially in processing agricultural products and food. The rampant corruption and smuggling activities were evident that the party policies and regulations were not strict enough.

The representatives also discussed the local situation and agreed that though difficulties still lay ahead, Khanh Hoa has made relatively good progress in all aspects of socioeconomic life. The lives of the working people have gradually been stabilized and improved.

Budget Committee Prepares for Assembly Session

BK3010102693 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Oct 93

[Text] The National Assembly Economy and Budget Standing Committee held a meeting on 28 October in preparation for the National Assembly's fourth session. Reporters and economic commentators from a number of newspapers and radio stations at the central level and from Hanoi attended, and their views on the committee report were solicited.

Mai Thuc Lan, head of the National Assembly Economy and Budget Committee, reported that the 1993 socioeconomic situation generally has developed in a favorable manner. We are continuing to overcome difficulties and have attained some important results, especially in the field of fighting inflation, developing the economy, solving welfare problems, and maintaining social order and security. Production, however, has not increased steadily; the consumer market is limited, the financial situation still poses many problems to be settled, and many aspects of social life are declining seriously.

Bank Governor Interviewed on ADB, IMF Loans

BK3111130193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 29 Oct 93

[Interview with State Bank Governor Cao Sy Kiem by unidentified correspondent; date and place not given—recorded]

[Text] [Correspondent] Dear comrades: The president of the Asian Development Bank [ADB] recently made a fact-finding tour of Vietnam during which he held talks with the Vietnamese State Bank and a number of relevant sectors and ministries on the question of ADB loans to Vietnam. Could you, comrade, speak about the results of the talks with the ADB president?

[Cao Sy Kiem] The ADB president visited Vietnam from 20-23 October 1993. This was the first visit by the ADB president after the bank normalized its financial and credit relations with Vietnam, turning a new page in the history of our ties. The ADB president had an audience with General Secretary Do Muoi, Prime Minister Vo

Van Kiet, the State Bank governor, the finance minister, [words indistinct], and a number of relevant ministries and sectors. During his talks with the State Bank governor and with [words indistinct] the ADB president highly valued the results of Vietnam's renovation efforts and reaffirmed ADB's strong and firm support for Vietnam's economic development in the years to come. The ADB emphasized that it will help Vietnam in its efforts to build and improve its infrastructure such as roads, bridges, water conservation projects, agriculture, education, health care, public utility projects, and so forth.

The ADB president stated that in 1993, his bank provided Vietnam with three project loans totalling over \$260 million. We will be sending a high-level delegation led by the Chu Van Nguyen, deputy governor of the Vietnamese State Bank, to Manila to sign an agreement in the next few days. Beginning in 1994, the ADB will loan Vietnam some \$350 million annually. In addition, the ADB will provide about 10 technical assistance grants totalling \$10 million. This is to help strengthen the organizational structure of various Vietnamese ministries and sectors and their capabilities to carry out these projects.

During this visit, the ADB president signed a number of agreements on technical renovation. He also offered us a \$568 million grant. This is a new step in the development of technical assistance given by the ADB to Vietnam. The ADB's resumption of loans to Vietnam also marks the beginning of a new era.

[Correspondent] Which international financial institutions and banks have offered us loans for increased production?

[Cao Sy Kiem] All major international financial institutions have officially resumed their loans to Vietnam following our breakthrough with the International Monetary Fund. On 6 October, the IMF announced its decision to restore Vietnam's access to IMF loans. On the same day, it passed a resolution to allow Vietnam to obtain a \$223-million loan from its two existing organizations. In 1994, the IMF will consider loaning Vietnam some \$350 million at 0.5-percent interest in the form of extended structural readjustment.

Meanwhile, the World Bank—the world's second largest monetary organization—has prepared many project loans for Vietnam. In 1993, the World Bank offered some \$320 million in loans to Vietnam under three credit agreements in education, communications, transportation, and agriculture. In 1994 and subsequent years, the World Bank will loan some \$350-450 million a year to Vietnam. The World Bank will be sending a high-level delegation led by His Excellency (Kazi), vice president of the World Bank, to Vietnam in early November to sign agreements on these projects and [words indistinct].

Apart from the above major monetary institutions, the Kuwait Development Fund and the Organization of Petroleum Exporting Countries have maintained close

relations with the Vietnamese State Bank for many years now and have offered loans to Vietnam for various projects on water conservancy and agriculture. They are planning to give more loans to Vietnam for projects on healthcare, education, communications, and so forth.

[Correspondent] What has our state, primarily our banking sector, done to make effective use of loans from international financial and monetary organizations?

[Cao Sy Kiem] Over the past few years, especially since 1993, the Vietnam State Bank in particular and other ministries and sectors in general have taken positive steps to prepare for the restoration of ties between Vietnam and international financial organizations. These preparations aim at such key tasks as the strengthening of legal foundations; consolidation and enhancement of the banking and financial systems; and improvement of the ability to prepare, evaluate, and implement the various joint projects among different ministries and sectors. As for the banking system alone, over the past years, we have taken drastic steps to improve the banking sector to effect changes in policies, regulations, organization, and management as well as formulate internal and external monetary policies to attract local and foreign capital. Special efforts have been made to improve banking technology and payment procedures. Steps have also been taken to organize the money markets to prepare capital and particularly, the contingent of cadres, for Vietnam's banking system; and grant operating licenses to foreign banks and share-holding banks to create fair conditions and a healthy environment for the banking sector to compete and improve the quality of its customer service.

As an immediate objective, the banking system and other sectors should perfect their regulations and mechanisms so as to be able to manage the use of foreign capital, including funds from the IMF and the ADB. To this end, we need to train highly qualified cadres to implement programs and projects already formulated.

[Correspondent] Comrade Bank Governor, regarding the future use of funds from international financial institutions, does the Vietnamese side have any priority investment projects to ensure effective results?

[Cao Sy Kiem] Well, it must be said that the sources of funds to be provided to Vietnam by international financial institutions in the coming years are of great significance. These funds will help us overcome the difficulties that we are experiencing in fund-generation for building infrastructure which has been damaged or which has seriously deteriorated for many decades now. Part of the funds we have borrowed from the above financial institutions will be used to stabilize macro-economic activities and maintain the national economic growth rate. Most of the remaining part of these funds will be used to upgrade existing infrastructure like roads, ports, airports, farmland irrigation facilities, and agricultural, education, public healthcare, and energy development programs, and so forth. World development experiences

indicate that the investment of funds to restore and upgrade existing infrastructure will bring quick results and positively contribute to accelerating our country's socioeconomic growth rate. Regarding the next phase, we will concentrate more funds on the building of new

infrastructure to benefit socioeconomic development, thus paving the way for our country's advancement in the years ahead.

[Correspondent] Thank you, Comrade Bank Governor.